PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 78

HOUSE OF COMMONS

OFFICIAL REPORT

SECOND SESSION OF THE FORTY-NINTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-FOURTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1984-85

COMPRISING PERIOD
29 APRIL—10 MAY 1985

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IN THE SECOND SESSION OF THE FORTY-NINTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

THIRTY-FOURTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 78**

TWELFTH VOLUME OF SESSION 1984-85

House of Commons

Monday 29 April 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

Electricity Prices

1. **Mr. Yeo** asked the Secretary of State for Energy what assumption about the likely level of electricity price increases during 1985-86 was made in determining the external financing limit for the electrical supply industry for 1985-86.

The Secretary of State for Energy (Mr. Peter Walker): First, Mr. Speaker, I say on behalf of the House how delighted we are to see you back with us.

The EFL announced for the electricity supply industry was estimated to be consistent with an average price increase this year below the level of inflation.

Mr. Yeo: Will my right hon. Friend assure the House that any extra cost in the production of electricity this year resulting from the coal strike will be borne out of general Government revenues and not passed on to electricity consumers?

Mr. Walker: Yes, Sir. The Government have announced that the EFL remains and that price increases remain as budgeted. Over the past few years there have been improvements, and before this year's rise electricity prices to consumers had fallen on average by 8 per cent. in real terms over the past two years.

Mr. Harris: Is my right hon. Friend aware, as is my hon. Friend the Under-Secretary of State, that one part of the United Kingdom—the Isles of Scilly—will suffer a 14 per cent. increase in electricity charges this year unless the South Western electricity board changes its mind? Will my right hon. Friend consider electricity prices on the Isle of Scilly as my hon. Friend the Under-Secretary of State has been kind enough to do?

Mr. Walker: Whatever my hon. Friend the Under-Secretary of State considers, I consider with equal enthusiasm.

Power Stations (Emissions)

2. **Mrs. Clwyd** asked the Secretary of State for Energy if, when he next meets the chairman of the Central Electricity Generating Board, he will discuss sulphur emissions from power stations and the implications for the level of coal burn by the electricity supply industry.

The Parliamentary Under-Secretary of State for Energy (Mr. Alastair Goodlad): I have discussed this with the chairman of the CEGB on a number of occasions. He is well aware of Government policy on reducing sulphur emissions.

Mrs. Clwyd: As the Secretary of State for Energy is asking for an additional £2 billion in the Coal Industry Act 1984, would it not make sound economic sense to invest a substantial part of that sum in the only coalfield in western Europe which produces high quality, low sulphur coal, which is South Wales?

Mr. Goodlad: The availability of low sulphur coal in the United Kingdom is limited. It is to be found mostly in Scotland and Wales and amounts to about 12 per cent. of annual output. It is among the most expensive coal to extract. It is not, therefore, an economically practical method of reducing significantly sulphur dioxide emissions.

Mrs. Currie: Is my hon. Friend aware that in south Derbyshire we like coal-fired power stations and that many of my constituents work in them? Is he aware also that we manufacture the gadgets that will help to make them cleaner in future? These are produced by a number of companies in Derby and south Derbyshire. When he meets

the CEGB's planners will he urge them, when they next consider building a coal-fired power station, to place it in my constituency?

Mr. Goodlad: I am aware of my hon. Friend's close interest in stations in her constituency — an interest which I share. I shall draw what my hon. Friend has said to the attention of the chairman of the CEGB.

Mr. Foulkes: Are the Minister and my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) aware that good quality, low sulphur, low chlorine coal is produced in Ayrshire as well as in Wales and can be produced economically? As there is a great demand for it, and as it is attractive environmentally, is it not stupid of the Coal Board in Scotland to say that there is no long-term future for the Killoch and Barony pits in my constituency?

Mr. Goodlad: I am sure that the Coal Board's chairman will have heard the hon. Gentleman's words.

Mr. Chapman: Will my hon. Friend confirm that total sulphur emissions have decreased in the United Kingdom in recent years but that, generally speaking, emissions from CEGB power stations have not? Does he agree that on environmental grounds, and recognising that it is possible economically to take this course, a priority programme should be launched by the CEGB to reduce sulphur dioxide emissions?

Mr. Goodlad: My hon. Friend is correct in saying that sulphur dioxide emissions have already decreased significantly. They have decreased by about 40 per cent. since 1970 and 20 per cent. since 1980. Emissions from CEGB power stations have decreased since 1979 and it is the Government's intention that further reductions shall be achieved. It is intended to achieve a 30 per cent. reduction on 1980 levels by the end of the 1990s.

Mr. Eadie: Will the hon. Gentleman confirm that it is not just sulphur emissions from coal-fired power stations that are responsible for acid rain? He spoke about the 30 per cent. reduction target for 1992-93 outlined by the EEC. Will he also confirm that the chairman of the South of Scotland electricity board is claiming that Scotland has already achieved that 30 per cent. reduction?

Mr. Goodlad: Yes, the hon Gentleman is correct.

Conservation

3. **Mr. Hardy** asked the Secretary of State for Energy what further initiatives he proposes to take to promote energy conservation.

10. **Mr. Knox** asked the Secretary of State for Energy whether he is satisfied that existing energy conservation schemes are adequate.

23. **Mr. Andy Stewart** asked the Secretary of State for Energy if he will make a statement on his plans to make 1986 Energy Efficiency Year.

Mr. Walker: Energy Efficiency Year, which I announced on 1 April 1985, will carry forward the momentum and progress achieved in energy efficiency since I launched the campaign 18 months ago. The year will serve as a focus to get everyone involved.

Mr. Hardy: Does the right hon. Gentleman accept that much more has to be achieved and that, given the large number of houses occupied by the least well off, who can neither afford to pay for sufficient heat nor make the best use of the heat that they can afford to purchase, some real action is needed? Does he also accept that as much energy can be saved from effective conservation measures at lower cost and with a faster rate of return as can ever be produced by developments such as Sizewell's PWR?

Mr. Walker: One could quote any development and compare it with savings that can be effectively and efficiently made. I agree that the hon. Gentleman is talking about a sector of enormous potential savings—about £7 billion a year could be saved with such policies. As to those on low incomes, I agree with the hon. Gentleman that much more needs to be done. My Department is encouraging, with some success, the voluntary groups that are bringing to low income families a whole range of aids, such as insulation and the sort of things that will reduce their energy bills considerably.

Mr. Knox: Are not more powerful financial incentives to consumers of energy needed to get greater conservation?

Mr. Walker: There is a remarkable range of incentives per industry. We estimate that over £300 million of investments could be made, which would show savings of more than 100 per cent. per annum. There is incredible complacency as well, and if we could remove that in both domestic heating and lighting and in commercial use, a great deal of progress could be made. At the moment, there is a lack of consumer awareness about what can be done.

Mr. Stewart: During Energy Efficiency Year, will my right hon. Friend be looking specifically at the efficiency of coal-fired boilers? If there are potential savings here, can they be pointed out to industry so that it can reduce its costs?

Mr. Walker: Yes, in every one of the conferences that we have had on energy efficiency — we have now contacted nearly 15,000 chief executives—part of the demonstration has been to show the advantages looking positively at conversion to coal.

Mr. Wallace: What co-ordination is there between the energy efficiency office and the Department of the Environment about building standard regulations, which have effects on energy conservation? Will the right hon. Gentleman's Department resist the moves that are believed to be under way to introduce new regulations that will run counter to his aims for greater energy efficiency?

Mr. Walker: As a former Secretary of State for the Environment, I recognise the wide-ranging problems about building regulations. There is good liaison between the two Departments.

Mr. Rost: My right hon. Friend will be aware that this week is the 10th anniversary of neighbourhood energy action, which has been so successful in harnessing the community task force to insulate people's homes. Will he ensure that this successful project gets every further encouragement?

Mr. Walker: Yes.

Mr. Orme: What are the Secretary of State's views on the Newcastle upon Tyne experiment, in which, as the right hon. Gentleman is probably aware, an office has been

set up to deal with both consumers and industry? When will his Department concentrate on consumers as well as industry?

Mr. Walker: Nobody benefits more from all that we are doing in energy efficiency than the consumer. The whole of the campaign is directed towards helping and assisting consumers to reduce their energy bills. If this campaign is a success, it will primarily be consumers who will benefit.

Mr. Greenway: Is my right hon. Friend aware that a theatre group from his Department recently visited my nine-year-old son's primary school and acted out the need to save energy, since when he has switched off everything in the house, including his mother's oven, and left on the television?

Mr. Walker: I have not seen any of these theatrical groups, but I gather from those who have that they have a remarkable impact and are highly successful.

Coal Industry (Subsidies)

4. **Mr. Willie W. Hamilton** asked the Secretary of State for Energy what response he has made, or intends to make, to the recent proposals of the EEC Commission contained in the draft communication DG XVII to the Council on the phasing out of all subsidies to the coal industry.

Mr. Peter Walker: No such proposals have been received.

Mr. Hamilton: I have seen the document. Does the Secretary of State agree that were these proposals to be implemented they would be an extremely serious threat to the future of our coal industry? Is he aware of estimates that between 150,000 to 200,000 jobs in Europe would be lost as a consequence of implementation? What are his views on the matter? Has he had any consultations? If not, when does he propose to have them?

Mr. Walker: Funnily enough, I had a consultation this morning when I had a discussion with the Commissioner responsible for energy. That was arranged some time ago. The Commissioner assures me that there are no definite Commission proposals as yet, and he very much wanted to hear our views. In general, in the light of the French Government's proposals substantially to reduce the coal industry in France, only two countries in Europe will have major coal industries. We both have a range of different opportunities and problems. Whatever the Commission does, it must understand that we know best how to tackle those problems.

Mr. Welsh: When the right hon. Gentleman receives the Commission's report, will he bear in mind that when the Heads of State met about three years ago, with the Prime Minister in attendance, they recommended that EEC coal mining production should be doubled? Does that not mean that the Commission's report will fly in the face of the wishes of the Heads of State?

Mr. Walker: When almost any organisation or body, including Governments, gets into the game of making predictions, it is normally wrong.

Mr. Orme: We very much welcome what the Secretary of State said. We hope that he will keep the House fully informed of developments and report on discussions that he may have with the Commissioner and the EEC. Is he aware that when I visited the Nottingham coalfield last week great concern was expressed about these proposals, and that that concern must be allayed?

Mr. Walker: As I have said, no proposals have been received by the United Kingdom Government. I had a useful discussion with the Commissioner this morning. There will also be discussions in the Council of Ministers, which, from memory, I think will meet on 20 June. As I stated, there are in reality two countries with major coal interests, and those interests must be looked at.

North Sea Oil

5. **Mr. Rowlands** asked the Secretary of State for Energy what percentage of United Kingdom North sea oil is refined within the United Kingdom; how many jobs there are in United Kingdom refineries; and how this compares with the figure in May 1979.

The Minister of State, Department of Energy (Mr. Alick Buchanan-Smith): In 1984, 37·5 per cent. of United Kingdom North sea oil was refined within the United Kingdom. There were some 23,100 jobs in the refining industry in September 1984, compared with about 25,300 in May 1979.

Mr. Rowlands: I know that the right hon. Gentleman is aware of the shattering blow caused to the communities affected by the BP-Llandarcy announcement, given the hundreds of jobs involved. Is he also aware that people, especially those who work in the refining industry, find it completely incomprehensible that we refine under 40 per cent. of United Kingdom North sea oil and that we have taken just as big a cut in refining capacity as other European countries which do not have a barrel of oil? Will he have urgent talks with the North sea oil companies to see whether they can improve on the amount of North sea oil that goes through our refineries, thereby possibly safeguarding at least some of the jobs in our refining industry?

Mr. Buchanan-Smith: I wholly appreciate how shattering that news was to the community around the refinery and to those who work there. As the hon. Gentleman knows, last week I met colleagues in the House with an interest in the matter as well as trade union representatives from the refinery. Their views are being made known to the BP management. I remind the hon. Gentleman that we have a considerable refining over-capacity in relation to our demand, and in many cases, because of the nature and quality of North sea crude, it is more economic to export it and to import lower quality crudes to give us the right mix in our refineries.

Mr. Skeet: Will my right hon. Friend re-emphasise that the cut of the barrel must be aligned to the market and that there is adequate room for rationalisation in the United Kingdom and throughout western Europe?

Mr. Buchanan-Smith: In contrast with what the hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) said, it is perhaps significant that the United Kingdom's reduction in refinery capacity, as a proportion of total capacity, is very much at the lower end compared with many other countries. What has happened in this country is, therefore, to some extent not quite as bad as in some other countries.

Mr. Coleman: The right hon. Gentleman has indicated his awareness of the redundancies at Llandarcy and the fact that Llandarcy's products, in the main, are to be refined at Texaco's refinery at Pembroke. Is he aware that Llandarcy is the only refinery that is geared to deal with United Kingdom land oil? Will he intevene with his right hon. Friend and urge him to reconsider his decision, which was conveyed to me in a letter, and that representations be made to the BP board to change the decision, in the national interest?

Mr. Buchanan-Smith: I appreciate the hon. Gentleman's concern. He has, as he says, been in touch with my right hon. Friend about it. I assure him that the views of those who came to see me last week have been conveyed to British Petroleum.

Mr. Anderson: May we thank the Minister for the sympathetic hearing that he gave us and our trade union colleagues when we met him last week? We gave him evidence of the allegations of a cartel operating within the refining industry in the United Kingdom, and also allegations of various back-to-back arrangements between the several oil companies. Will he look into those allegations and, if necessary, seek to lean upon BP to provide jobs, directly or indirectly, in replacement?

Mr. Buchanan-Smith: The important point to recognise is that it is a commercial decision of the company. The company is prepared to meet and to discuss the different aspects of it. It has made it clear that the decision was taken in the light of its commercial activities in the United Kingdom.

Mr. Proctor: I have two large refineries in my constituency, Mobil and Shell, both of which have shed labour in the past few years. Does my right hon. Friend agree that those oil refineries must continue to be efficient in a very highly competitive international market?

Mr. Buchanan-Smith: I agree with my hon. Friend that it is a highly competitive market. In recent years the downstream refining activities of the oil companies, have been the least profitable parts of their activities. If we are to remain with a strong refining capacity, which I hope we shall, we must be competitive with overseas countries.

Mr. Barry Jones: Does the Minister understand that, of the 1,000 job losses at Ellesmere Port, 350 fall on employees living in my constituency?

In the light of the Llandarcy redundancies, I remind the Minister that male unemployment is more than one in five in west Glamorgan. Does he know that Wales has lost 103,000 manufacturing jobs since 1979?

Mr. Buchanan-Smith: Yes, I am aware of those figures. They were among the points put to me by some of those who came to the meeting last week. As the hon. Gentleman knows, the Welsh Office was also represented at that meeting, and I know that my right hon. Friend the Secretary of State for Wales is fully aware of the position. I have spoken to him since that meeting.

National Coal Board

6. **Mr. Douglas** asked the Secretary of State for Energy what topics will be discussed when he next meets the chairman of the National Coal Board.

Mr. Peter Walker: I meet the chairman of the National Coal Board regularly to discuss all aspects of the coal industry.

Mr. Douglas: When the Secretary of State next meets Mr. MacGregor, will he call into question Mr. MacGregor's view that while running a decentralised operation there should be massive anomalies in the treatment of the labour force from one area to another? Will the Secretary of State ask Mr. MacGregor to explain why it is that miners in Scotland who have been dismissed because of activities outwith the NCB during the dispute have not been considered in terms of the conciliation procedure within the board?

While we in Scotland expect to be treated differently on occasions, we are not prepared to be treated worse by a Scot who should be sent back to America.

Mr. Walker: Obviously, Mr. MacGregor meets his regional leaders frequently and has discussions with them. I know that there is a constant exchange of views between them.

Perhaps greater examination of dismissals before the dismissals took place was made in Scotland than in any part of the country. There was a time when other regions were complaining that the speed with which people were being sacked in those regions was far greater than in Scotland, where cases were being looked at carefully.

Sir Dudley Smith: Will my right hon. Friend ask the chairman of the NCB to make sure that when the plans for the vast new south Warwickshire coalfield are announced in the not too distant future there will be the widest possible local consultation and a full explanation of the NCB's case?

Mr. Walker: I shall certainly convey that to him.

Mr. Mason: Is the Secretary of State aware that in a large number of Yorkshire collieries industrial relations are now at rock bottom and rotten? Is he further aware that in the past 20 years, by custom and practice, and by general agreement between management and men, the trade union branch secretary has been allowed three days on the surface of the mine to look after miners', widows', pensioners' and disabled miners' problems, as well as his own trade union work? The management has now stopped that and is making him work five days a week underground. Apart from the sour and bitter relations that exist at those pits at present, the people who most need his services are being denied it because of the board's action. There is a suggestion that it is by diktat of the chairman of the NCB. What are the Secretary of State's observations about that? Will he ensure that when he next meets the board he will raise that issue?

Mr. Walker: I shall certainly convey the views expressed by the right hon. Gentleman on that issue. Nobody has previously conveyed any complaint to me about that issue. Obviously, we shall look into the matter and see whether there is any reason to make a change.

Mr. Michael Morris: Will my right hon. Friend be able to reassure the chairman that extra resources will be made available for the coal conversion scheme?

Mr. Walker: Resources are available for the coal conversion scheme. I am glad to report that there are many applications for it. The success of the scheme depends on the degree to which industry can be confirmed in the view that there will be a security of supply.

Mr. Wrigglesworth: Will the Secretary of State discuss with the chairman of the NCB the management of the Coal Board now that the industrial dispute is over? Does he agree that it would be better if a method of reconciliation could be found, and if all the members of the Coal Board, all the staff and the work force, could be involved in discussions and participate in the new decentralised structure?

Mr. Walker: A great deal has already been done in the new executive, which is advising and acting in this area and which has a wide range of good top managers. The return to good production figures in many of the pits is encouraging.

Mr. Ashby: Will my right hon. Friend discuss with the chairman more capital investment in the midlands, where industrial relations are extremely good and where the work force clearly works harder and is more reliable than any other?

Mr. Walker: The Coal Board has a whole range of potential investment areas. It will certainly be noted that high productivity is an encouragement to investment.

Mr. Merlyn Rees: Would it be right for a man found not guilty by the courts to be ruled guilty by the NCB?

Mr. Walker: If the matter was not taken up by the courts, or if there were other reasons for doing so, if anyone from the Coal Board is wrongfully dismissed, he has considerable rights against wrongful dismissal.

Mr. Favell: Is my right hon. Friend satisfied that the Coal Board has taken proper steps to safeguard from harassment from their colleagues the miners who worked during the strike?

Mr. Walker: Yes, the management has been firm in taking action against anybody in the industry who has been guilty of harassment. When it has received evidence of harassment, it has taken swift, decisive action.

Mr. Boyes: In view of the latest demonstration of the evils of apartheid — the shooting of innocent unarmed workers — will the Secretary of State give Mr. MacGregor a categorical statement that under no circumstances must he import coal from South Africa?

Mr. Walker: As far as I know, no coal is being imported from South Africa. However, I shall convey the hon. Gentleman's views.

Mr. Peter Bruinvels: As 11,903 miners left the industry between 10 March 1984 and 9 March 1985, what steps will my right hon. Friend take to protect working miners who are still being harassed and intimidated and who need the support of the country?

Mr. Walker: Obviously, I have been told of a number of individual cases, which I conveyed immediately to the Coal Board. In my judgment, the board has dealt effectively with every case that it has examined and has been reported to me to date. That is the board's intention.

Mr. Allen McKay: When the Secretary of State next meets the chairman of the NCB, will he ask him to expedite the work of the new review body and to give the numbers of closures required before colliery closures take place, not afterwards?

Mr. Walker: I believe that a meeting on that subject is taking place tomorrow and I hope that quick progress will be made. Those miners who have taken voluntary redundancy have done so because it was the majority view of the miners that that was necessary, not because the NCB laid down some policy. With his considerable knowledge of the mining industry, the hon. Gentleman will recognise that if miners have to choose between a pit without a future, transfer to another pit, voluntary redundancy or being sent home for four or five months, they may well vote that way. I hope that, in the aftermath of the strike, it will be recognised that it is in the interests of miners to come to such a decision.

Mrs. Currie: Will my right hon. Friend convey to the NCB the congratulations of the House on the work of the mining research and development establishment at Stanhope-Bretby; which has just received its fouth Queen's award for technology for its work on dust? Does my right hon. Friend agree that that work has so eradicated the dust problem underground that pnumoconiosis should be a disease of the past and that mining in future will be cleaner and safer?

Mr. Walker: I think that both sides of the House will applaud the work of that establishment.

Mr. Hardy: I share the Secretary of State's hope that the NACODS agreement will be introduced and operated as from tomorrow, but will he inform the NCB that if it wants to reduce the distrust and suspicion that remains prevalent in the industry, that step tomorrow would be the most useful that it could take?

Mr. Walker: I cannot say what everybody will be demanding tomorrow, because a number of delegations are involved, not just those from NACODS. I can only say that I want the principles of that agreement enforced as quickly as possible, and I know that that is the view of the NCB. The hon. Gentleman talks about suspicions and so forth, but I hope it will be recognised that a number of decisions made to date have been made not by the NCB working against the interests of the miners but as a result of the consensus of miners.

Mr. Orme: Does the Secretary of State agree that if the NACODS agreement had been fully implemented there would be no need for the ballot that is now taking place so that its members can decide whether to take industrial action? When the right hon. Gentleman sees the chairman of the NCB, will he ask him to explain why there are such wide discrepancies about reinstatement in different areas? Why is Scotland so different from, say, south Wales, or other areas? Why is the Coal Board carrying out a vendetta against certain people?

Mr. Walker: There is no truth or substance in that allegation. I have no evidence of that, and if I did I would take action. There is no such evidence. No procedures have taken place for men to take voluntary redundancy, and so on, which have not been on the basis of what the miners themselves wanted.

Energy Efficiency Programmes

7. **Mr. Gerald Bowden** asked the Secretary of State for Energy whether he has plans to increase the number of sectors participating in monitoring and targeting programmes for increasing energy efficiency.

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): At present 20 sectors are participating in the monitoring and targeting programme

run by the Energy Efficiency Office. In view of the success of the programme in helping firms achieve savings, I plan to increase the number of sectors to 40.

Mr. Bowden: My hon. Friend will be aware of the pleasure that it gives to hear that the scheme is to be extended, but can he say what savings have already been identified through the pilot scheme?

Mr. Hunt: Yes. Major successes have been identified in the two pilot sectors. The four mills in the project in the paper and board industry reduced energy costs by £1 million with virtually no investment, and the four mills in the textile industry taking part in the pilot scheme have already identified savings of 18 per cent. Those achievements set a marvellous example for the rest of British industry.

Coal Industry

8. **Mr. Proctor** asked the Secretary of State for Energy if he will make a statement on the prospects for the coal industry for 1985-86.

Mr. Peter Walker: 1985-86 will be a year of reconstruction, following the damage done both to mines and to markets by the strike. In order to secure its long-term future, the industry will also need to make progress in bringing down the average costs of production.

Mr. Proctor: Does my right hon. Friend agree that the industry should look forward rather than back and regain the customers that it lost during the dispute, and that it could best do that by producing a good product, efficiently, at a competitive price?

Mr. Walker: Yes. There is obviously a considerable task in hand, but nothing could be better than if we could show that productivity was improving and that the product would be reliably and constantly supplied to the market place that is willing to take it. The coal industry has a considerable potential in Britain.

Mrs. Clwyd: Does the right hon. Gentleman agree that prospects for reconciliation in the coal industry in south Wales would be greatly enhanced if the five men sacked from the Phurnacite plant in my constituency on the say-so of Mr. MacGregor were reinstated forthwith? Two of them were sacked for allegedly spitting at the one working miner among 6,000 in the constituency during the strike. Should they not be reinstated forthwith?

Mr. Walker: Any decisions on individual cases must be taken by the management, which has taken great care in the matter.

Mr. Eadie: The Secretary of State has been asked about the prospects for the industry. Does he agree that if there is to be reconstruction and good prospects there must be new investment and new pit sinkings? Is he aware that, even in Nottinghamshire and the midlands, investment contracted between 1979 and 1983-84? In 1979-80, £78 million was invested in north Nottinghamshire. That figure has been reduced to £55 million. In south Nottinghamshire there was a reduction from £55 million to £27 million. In the south midlands there was a reduction from £77 million to £33 million. There is a great deal of reconstruction to be done. The right hon. Gentleman should tell his hon. Friends who represent those areas that without new investment and new pit sinkings the industry will contract.

Mr. Walker: If the hon. Gentleman wishes me to compare the record of the Labour Government on investment with that of the present Government, I shall be very happy to do so.

Opencast Workings

11. **Mr. Skeet** asked the Secretary of State for Energy how much coal he anticipates will be drawn from opencast workings in the next five years.

Mr. David Hunt: The level of opencast output is determined primarily by market demand. I am not in a position to forecast what that demand might be in the next five years.

Mr. Skeet: Does my hon. Friend realise that opencast working is a most profitable investment and would produce a much better return for the money which the Government are to pour into the mining industry? Should we not lift opencast production from 12 or 15 million tonnes to perhaps 20 million tonnes?

Mr. Hunt: I agree with my hon. Friend's comment about the opencast industry. The future is very good indeed.

Mr. Rowlands: It is all very well for Conservative Members to advocate the expansion of opencast working. However, is the Minister aware of the possible environmental consequences of an expansion of opencast working. Do not our communities have as much right to a good environment as those in Finchley, Reigate or the Wirral?

Mr. Hunt: I agree. I do not think that there is any difference of opinion between the hon. Gentleman and myself on that point. There is always the question — sometimes a very difficult one — of marrying the disadvantages to the environment with the great advantages to the country.

Double Glazing

12. **Mr. Parry** asked the Secretary of State for Energy if he is satisfied with the contribution double glazing presently makes towards savings in energy resources.

Mr. David Hunt: Yes, Sir.

Mr. Parry: The Minister will be aware of the representations made by the Glass and Glazing Federation. Is he aware that since the imposition of value added tax on double glazing hundreds of small companies have gone bankrupt and nearly a thousand jobs have disappeared in the north-west? Does the Minister not agree that VAT is unnecessary in this important sector of industry?

Mr. Hunt: The imposition of VAT is a matter for my right hon. Friend the Chancellor of the Exchequer. However, the installation of double glazing has many advantages. One of the major objectives of the Glass and Glazing Federation is that householders should use energy more efficiently. That objective has the full co-operation of the Energy Efficiency Office and of my Department.

Mr. Rost: Could my hon. Friend make any reassuring noises about the future of the home energy audit scheme?

Mr. Hunt: I very much support the concept of energy labelling, and look forward to further progress towards that end.

Electricity Industry (Investment)

13. **Mr. Hannam** asked the Secretary of State for Energy when he next plans to meet the chairman of the Central Electricity Board to discuss future investment levels in the industry.

Mr. Goodlad: I shall be discussing this matter during my regular meetings with the chairman of the CEGB.

Mr. Hannam: In view of the facts given ealier about the progress made by the CEGB in controlling and reducing sulphur emissions, will my hon. Friend join me in deploring the personal attack on Sir Walter Marshall, the chairman of the CEGB, by the hon. Member for Liverpool, Mossley Hill (Mr. Alton), in early-day motion 583? In contradiction of the views expressed in that motion, will my hon. Friend continue to give the fullest possible support to Sir Walter in the research and development taking place into the control of pollution?

Mr. Goodlad: I agree that personal attacks are usually regrettable. I thoroughly agree that the CEGB has made and continues to make a substantial contribution to the Government's intention of achieving a further drop in sulphur dioxide emissions. The Board has played a full part in the continued improvement of power station efficiency, the growing nuclear contribution, energy efficiency efforts and in collaboration with my Department on new power station designs to reduce emissions.

Renewable Resources

14. **Mr. Chapman** asked the Secretary of State for Energy what is his latest estimate of the proportion of total United Kingdom energy needs which could be met by renewable resources, including solar, geothermal and wind and wave power, in five years' time.

Mr. Buchanan-Smith: My Department's aims are to encourage the uptake of commercially attractive renewable technologies and to increase understanding of those that are promising but uncertain. We expect only a small input from renewables by 1990, but, in the longer term, this should grow significantly.

Mr. Chapman: Although I appreciate that only a relatively small proportion of Britain's energy needs can be met by renewable resources, does my right hon. Friend agree that they could form a significant proportion of the energy needed in certain localities? Will he bear that local consideration in mind when assessing the need for research, development and encouragement?

Mr. Buchanan-Smith: Yes, Sir. That is one reason why a lot of money is being spent on electricity production from wind, as it is specially applicable in some remoter communities. We are watching with interest the progress of the Orkney experiment and the considerable amount of money that we put into it.

HOUSE OF COMMONS

Research and Secretarial Staff

27. **Mr. Greenway** asked the Lord Privy Seal what is the average number of secretaries per hon. Member; and if he will make a statement.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): The average number of secretaries per hon. Member is 0.9. This figure includes only those secretaries who have passes for the Palace of Westminster.

Mr. Greenway: I am grateful to my right hon. Friend for giving that fascinating figure. Does he agree that some hon. Members receive much more constituency mail than others? Does he think that that is due rather to popularity than to notoriety? Is he aware that secretaries of hon. Members with heavy mail need extra help? Will he consider initiating a typing pool to which the odd tape could be sent for typing up, say once or twice a week?

Mr. Biffen: I am sure that my hon. Friend is right in saying that the work load varies as between hon. Members and as between various times of the year in respect of all hon. Members. I hope that the present allowances cover the secretarial requirements of hon. Members. I would not wish to encourage any into thinking that further provision could be made along the lines that have been suggested.

Mr. Foulkes: Is the Leader of the House aware that what he has just said is completely wrong and that an increasing number of hon. Members on both sides of the House no longer treat this place as a gentleman's club but as a place of work? Is he further aware that, to provide an efficient service to constituents, there should be adequate secretarial and research facilities? Will the right hon. Gentleman assure us that this matter will be considered again during this Parliament?

Mr. Biffen: I do not think that the facilities of the Palace have ever—at least in the recent past—suggested that it was a gentleman's club. I have already said that the decisions arrived at last year for the secretarial allowance should be given a reasonable run before reconsideration.

Mr. Nicholls: Has my right hon. Friend noted during his years in the House that the work output of hon. Members can vary greatly? Does he think it right that, if an hon. Member has a high profile in his constituency and therefore attracts a great deal of work, he sometimes has to pay for extra secretarial work out of his own funds? Does he think that that is proper? If not, does he have any proposals to do anything about it?

Mr. Biffen: No, I have no proposals. I think that the salary and the secretarial allowance are based on a standard figure. The House has had plenty of experience of working within the secretarial and research allowances and, last year, voted on the level of those allowances.

Mr. Boyes: Is the Leader of the House aware that when I was a Euro-MP I received about £30,000 for secretarial and research allowances and was able to keep a researcher and a secretary fully occupied? *[Interruption.]* Is the right hon. Gentleman aware that my research shows that I now do seven times as much correspondence as when I was a Euro-MP? I do not doubt that many hon. Members on both sides of the House have bigger postbags than me, but is it not ridiculous that the allowances for hon. Members do not enable us to employ two good members of staff to cope with all the work that we have to do?

Mr. Biffen: The House took a view last year on the appropriate level of pay. What the hon. Gentleman has just said reflects as much upon what happens at Strasbourg as on what happens here.

Written Questions

28. **Mr. Willie W. Hamilton** asked the Lord Privy Seal whether, in view of the increased numbers of questions tabled for written answer in the last few years, and the increasing cost of answering them, he will bring forward proposals to limit the number of such questions which can be tabled by hon. Members.

Mr. Biffen: I have no immediate plans to do so, but I note the hon. Gentleman's concern.

Mr. Hamilton: Is the right hon. Gentleman aware that my figures show that during the last Session there were more than 42,000 written questions, compared with 21,000 four years ago, and that the cost of answering them came to £1·68 million? Is he also aware that there is some evidence that the system is being abused by outside bodies? I can tell him that there are two Conservative Members now in the House who are in the pay of drug companies. During the present Session they have tabled 70 written questions to the Department of Health and Social Security compared with a total of 23 from those two hon. Members in the last four years. Does that not demonstrate a prima facie case of gross abuse whereby the taxpayer is asked to foot the bill for the research of private companies outside the House?

Mr. Biffen: I have a good deal of sympathy with the hon. Gentleman's concern about the increasing use of written questions which, if they are adjusted on a sittings day basis, have risen from 139 for the Session 1980-81 to 188 in the current Session—an increase of about 43 per cent. I suggest that the specific matters mentioned by the hon. Gentleman touch more on the declaration of interests of hon. Members and that he should refer his remarks to the corresponding Select Committee.

Mr. Harris: Does my right hon. Friend agree that another factor responsible for the explosion in the number of questions is the increase in the number of hon. Members' research assistants? Is he aware that one hon. Member of whom I know has had at least five research assistants at one time, most of them provided by American universities?

Mr. Biffen: The Services Committee has recently reported on this matter. I hope that its report will be available to the House fairly shortly.

Research and Secretarial Staff

29. **Mr. Dubs** asked the Lord Privy Seal what information he has about the number of research and secretarial staff available to elected numbers of national assemblies in France, Germany, Italy, the Netherlands, Belgium, Denmark and the United States of America, respectively.

Mr. Biffen: The information I have received suggests that there is a considerable variety in the provision made for the funding of Members' personal staff.

Mr. Dubs: Does the Leader of the House agree that virtually all the Assemblies in the countries listed provide their elected Members with more support than we have? Does he also agree that last year's decision by the House is one which many hon. Members on both sides of the House now regret? Would not the position be different if we had a trade union acting on behalf of our interests?

Mr. Biffen: I do not think that I am immediately convinced of the last point made by the hon. Gentleman. However, he is right to say that many Parliaments provide more secretarial and research facilities for their Members. It was a matter touched upon by the Top Salaries Review Body in its 20th report, but I have to repeat what I said when I was last asked about this a few weeks ago: I rest upon the vote taken by the House last year.

Mr. Marlow: Why do some hon. Members seem to manage quite well on the allowances when others who do no more work do not seem to manage adequately? Why are we concerned about public expenditure in every area except when it affects our own allowances?

Mr. Biffen: My hon. Friend makes a pertinent point. There is such an extraordinary variety of response because, mercifully, the House of Commons is a very varied institution.

Mr. Soley: Does the Leader of the House realise the intense danger to the House of being regarded by people as increasingly irrelevant? Is not that sense of irrelevance growing, not least because the power of Back-Bench Members has been declining so dramatically? If hon. Members on both sides of the House want to see the power of Back Benchers increased, is not one way of doing that to make sure that they have sufficient facilities to do their job properly? It is not being said that they must do it. We are asking for that service, and the House deserves it.

Mr. Biffen: If this place is regarded as being so irrelevant, I am surprised that people of such distinction still try to make their way here, not least people in the Brent constituency. If there is one way in which the House of Commons will be cocooned, it will be if it cocoons itself with research assistants.

Late-Night Sittings

30. **Mr. Peter Bruinvels** asked the Lord Privy Seal if he will take steps to seek to reduce the number of late-night sittings.

Mr. Biffen: Business is already planned to take account of the many demands upon parliamentary time, whilst seeking to avoid late-night sittings wherever possible.

Mr. Bruinvels: Does my right hon. Friend accept that, with the House sitting on average until 12.52 am and with the number of late-night sittings this Session being the highest for the past 11 Sessions, something should be done as a matter of urgency, especially because of the number of Government Bills being passed—60 in 1983-84? Will my right hon. Friend try to speed up decisions on this matter so that the House stops work at 12 midnight?

Mr. Biffen: I have every sympathy with my hon. Friend's point. I am told that to date, this Session, the House has risen on average at 12.43 am, which is not very different from previous years.

CIVIL SERVICE

Secondments

31. **Mr. Chapman** asked the Minister for the Civil Service how many persons were seconded to the Civil Service during the last 12 months for which figures are available.

The Minister of State, Treasury (Mr. Barney Hayhoe): There were 116 secondments to the Civil Service from organisations in industry and commerce in 1984. The details are given in a report on the interchange programme published today by the Management and Personal Office, copies of which I am placing in the Library of the House.

Mr. Chapman: I understand that the number of secondments has increased in recent years. Does my hon. Friend agree that the Civil Service would benefit from a greater increase in interchange? Does my hon. Friend agree that, if there were a reciprocal process, especially with civil servants being seconded to industries, this could only be beneficial?

Mr. Hayhoe: I agree with my hon. Friend that the interchange programme is generally extremely useful and beneficial to all concerned. The numbers coming into the Civil Service from outside and the numbers seconded from the Civil Service to industries and organisations outside are increasing. I very much hope that this trend will continue.

Dr. McDonald: Does the Minister accept that the appointment of some people from outside the Civil Service to temporary posts, such as Mr. Levene's appointment, has drawn unprecedented strictures from the Civil Service Commission, which has pointed out that established procedures were set aside in Mr. Levene's appointment? Will the hon. Gentleman give a firm commitment that in future all appointments from within and outside the Civil Service will be based on open competition and not on political patronage of any kind?

Mr. Hayhoe: The principle of fair and open competition for Civil Service appointments is an extremely important one, which has been maintained over the years and must continue to be maintained. The suggestion that the procedures followed in Mr. Levene's appointment were wrong is misplaced.

On secondment, it has been the long-standing practice of successive Administrations not to believe that a qualification certificate from the Civil Service Commissioners was required. Only at the time of Mr. Levene's appointment did legal advice come forward saying that such a certificate was required. As my right hon. Friend the Prime Minister has made clear, the Government immediately took steps to recognise the position. In the event, Mr. Levene was not seconded. He was appointed under a fixed term contract not exceeding five years. The proper procedures were followed.

Trade Unions (Meetings)

32. **Mr. Parry** asked the Minister for the Civil Service when he last met representatives of the Civil Service trade unions; and what subjects were discussed.

Mr. Hayhoe: I refer the hon. Member to the answer that I gave him on 18 February about my last meeting with the Civil Service unions on 4 December 1984. My right hon. and noble Friend the Chancellor of the Duchy of Lancaster met representatives of the Institution of Professional Civil Servants on 2 April to hear their views in favour of extending unified grading in the Civil Service.

Mr. Parry: Is the Minister aware that four Civil Service unions are tomorrow meeting the Secretary of State for Employment to argue their case for their pay claim to be put to arbitration, which has been refused by the Treasury? Will the Minister support the unions in that modest request?

Mr. Hayhoe: I hope to be present at the meeting with the unions. The determination of their request for arbitration is a matter for my right hon. Friend the Secretary of State for Employment and I would not seek to prejudge what will happen at the meeting.

Mr. Wrigglesworth: Has the Minister discussed with the Civil Service unions the possibility of a better and longer term method of determining Civil Service pay, including some element of fair comparison?

Mr. Hayhoe: Yes. Following publication of the Megaw report, the Government made it clear that they believed that negotiations should take place on long-term arrangements for determining Civil Service pay, based on the Megaw report. The Government's intention was that those negotiations should succeed. In fact, the negotiations ceased at the beginning of last year, but the Government have again made it clear in the current pay round that they believe that it is in the long-term national interest for such an agreement to be achieved, and I hope that substantive discussions can begin soon.

Mr. Proctor: Has my hon. Friend met the Civil Service trade unions representing Her Majesty's Nuclear Inspectorate, which still has grave reservations about its dispersal to Bootle? If he has not recently met them, will he make arrangements to do so?

Mr. Hayhoe: That would be a matter for, I think, my right hon. Friend the Secretary of State for Employment, who is responsible for the Health and Safety Executive, of which, I believe, that groups forms part.

Mr. Williams: When the Minister meets the Civil Service unions, will he explain to them why, when there has been a substantial increase in productivity in the Civil Service as a result of the substantial cuts in manpower, he has allowed the real pay of civil servants to fall by 14 per cent. compared with the 1980 level? Will he also explain why he has allowed a shortfall of 20 per cent. to arise between them and other white collar workers?

Mr. Hayhoe: I note the base year which the right hon. Gentleman takes for his comparison. It is curious that he does not take as his base the last year for which his Government were responsible. If we take that as the base year, we see that the increase in the earnings of civil servants has well exceeded the rate of inflation.

Mr. Eastham: When the pilot scheme for the use of the polygraph at GCHQ has been completed, will the Minister hold discussions with the Civil Service trade unions? I remind him that the Select Committee on Employment advised the Government that polygraphs and their tests were useless.

Mr. Hayhoe: Questions about GCHQ and the use of polygraphs should be addressed in the first instance to my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs.

Mr. Soley: Has the Minister discussed the morale of civil servants with their representatives? Is he aware that the recent ballots on strike action came dangerously close to calling for industrial action? Does that not show that

something is seriously wrong with morale? Is not part of the reason for that the way that the Government keep attacking civil servants?

Mr. Hayhoe: The recent ballots showed that, in what they had been saying before the ballots took place, the leaders of the civil service unions were not adequately reflecting the majority view of their members. I am glad that the unions followed the requirements of the Trade Union Act 1984 and that the public were, therefore, not inconvenienced by strikes called by union leaders who were not fully representing their members.

ENERGY

Sizewell Inquiry

15. **Mr. Heathcoat-Amory** asked the Secretary of State for Energy what is his latest estimate of the final cost to public funds of the Sizewell inquiry.

Mr. Goodlad: The final cost of the inquiry will become evident only when the inspector has completed his report. However, costs up to 31 March 1985 either falling to my Department or recoverable from the CEGB total approximately £2,407,000.

Mr. Heathcoat-Amory: Does my hon. Friend agree that that inquiry has gone wide of planning, and that the wider policy issues raised would be better decided and discussed by Parliament? Does he agree that future applications to build new types of power stations should be assessed in a way that is cheaper and takes less time?

Mr. Goodlad: As the House will be aware, the Government have made clear on a number of occasions their view that the inquiry should be full and wide-ranging. Decisions on future inquiries will be taken in the light of circumstances prevailing from time to time.

Mr. Orme: As there is intense public interest in the inquiry, when will the Secretary of State be able to give the House the time scale of how the matter will be processed?

Mr. Goodlad: The timing of the report is a matter for the inspector. My right hon. Friend will lose no time when it is in his hands.

Northern Ireland (Local Elections)

3.31 pm

Mr. J. Enoch Powell (South Down) *(by private notice)* asked the Secretary of State for Northern Ireland if he will make a statement on the validity of medical cards as evidence of a voter's identity at the forthcoming local elections.

The Minister of State, Northern Ireland Office (Dr. Rhodes Boyson): Because of widespread concern in Northern Ireland about the growth of personation in elections, Parliament has passed the Elections (Northern Ireland) Act 1985, and the Local Elections (Northern Ireland) Order 1985 which applies the main provisions of the Act to local elections. The new legislative provisions include a requirement that a voter must produce a specified document to obtain a ballot paper. These documents are a current full driving licence issued in Great Britain or Northern Ireland; a current British or Irish passport; a current benefits, allowance or pension book issued by the Department of Health and Social Services for Northern Ireland; a medical card issued by the Northern Ireland Central Services Agency for the Health and Social Services; and a certified copy, or extract, of an entry of marriage issued by a registrar general, where the voter concerned is a woman married within the preceding two years.

It has come to our attention that there are some electors holding a medical card issued before 30 September 1973 by the Northern Ireland General Health Services Board, the predecessor of the present Central Services Agency. Some of these electors may believe that these are specified documents entitling them to vote. This is not the case. It is not possible to estimate with any accuracy how many electors hold these older cards and who do not have any of the other specified documents. However, the Chief Electoral Officer issued a statement on Friday 26 April pointing out that anyone who has no other specified document and did not have the appropriate kind of medical card should take steps now, if he or she had not already done so, to obtain a new medical card. Special arrangements have been made to ensure that anyone needing a new medical card can obtain one quickly, and these arrangements will be kept under review.

The Northern Ireland information services have published advertisements in the Belfast and local Northern Ireland press, on the radio and television, and distributed leaflets to households throughout Northern Ireland setting out which documents will be needed. If people remain in doubt on this point, I suggest that they look at these leaflets or at the back of the polling cards which are now being issued and which have a list of the specified documents on the back.

My right hon. Friend the Secretary of State is aware of the understandable concern of Northern Ireland Members and other Members about this matter and is in Northern Ireland this afternoon reviewing the issues involved.

Mr. Powell: As it is the medical card on which, in particular, elderly people and the less well off are bound to rely, and as within the available time it is a physical impossibility to replace the large number of pre-1973 cards which are validly held in good faith, will the Minister ask his colleagues to take the commonsense decision to issue a statement to the effect that valid medical cards, whatever their date of issue, will be treated as effective for the purposes of the 1985 Act?

Dr. Boyson: Older people will be covered by their pension book. We were careful, when the Act was put through the House, to ensure that the people on allowances —those who are most deprived in our society—and the old would be covered. Their pension books will cover them for voting. Since 1973, 1·4 million cards have been issued, in a population of 1·5 million. We are not aware of how many people are left with the old medical cards and do not have a new one. I have heard what the right hon. Gentleman has said, and I shall pass his comments on to my right hon. Friend the Secretary of State.

National Health Service (Private Medicine Abuses)

3.35 pm

Mr. Michael Meacher (Oldham, West): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"private medicine abuses within the National Health Service as condemned by the Comptroller and Auditor General's report."

The matter is specific because it has been pinpointed by the Comptroller and Auditor General as the key reason why, almost without precedent, he insisted upon qualifying his certificate to the NHS accounts. In other words, he found the accounting system seriously defective in that respect.

In addition, the Comptroller and Auditor General's report is specific in detailing that which has gone so badly wrong by cataloguing that

"provision of NHS facilities for private patient treatments was not properly authorised; that income collection procedures were defective; that the identification of private, non-resident treatment was inadequate and that charges determined centrally by the health departments did not recover total costs attributable to the treatment of private patients."

The report is also specific when it spells out that other criticisms include

"poor control over the use of private beds, inadequate records of private medical treatment, inaccurate charges and the absence of deposits from private inpatients in advance of treatment."

The matter is important because, in the considered judgment of the Comptroller, as the head of the National Audit Office, the NHS is being cheated, whether by negligence or by fraud, of millions of pounds a year at a time when the Government are enforcing major cuts in other areas of the National Health Service to keep within budgets.

The condemnation by the Comptroller and Auditor General is all the more important because the criticisms made today echo those made by the auditors four years ago. In 1981 Ministers responded by insisting that they would tighten procedures to stamp out abuse. Four years later the statutory auditors have found that the abuses persist—on an even greater scale—so it is important for the House to be given an opportunity to insist that it will not be fobbed off again with the same ministerial excuses.

The issue is important in two other respects. Only 37 district health authorities were selected at random for audit. That is fewer than one fifth of health authorities in England and leaves aside nine in Wales and another 40 in Scotland.

There is no reason to doubt that other health authorities are involved in similar patterns of abuse and defrauding of the NHS, so it is important that the House is able to require the Secretary of State to order that which he has so far refused to order—the auditing of the other 164 district health authorities in England and Wales to recoup the many additional millions of pounds lost to the NHS in those areas.

It is also important that the Government, who are soft on private medicine, are made to face the fact that abuses by private practice within the NHS——

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Speaker. Is it in order for the hon. Member for Oldham, West (Mr. Meacher) to make the speech that he would make if the debate were granted? He has been speaking for a considerable time.

Mr. Speaker: I am listening very carefully and I shall decide that.

Mr. Meacher: Thank you, Mr. Speaker. It is important that the Government are made to face the fact that abuses from private practice within the NHS are now on such a scale that they are becoming endemic. After years and years of what the Comptroller and Auditor General identified as

"serious and persistent failures to maintain proper control over income from private patients"

the House needs to state and to endorse the view that the only effective answer to this continuing malpractice is complete separation of the private sector from the NHS.

The matter is urgent because these revelations from the Comptroller and Auditor General have only just been disclosed, and because immediate action is called for to uphold public standards by prosecuting those who are proved to have discredited their position at the expense of the NHS. Above all, it is urgent that effective action be taken now to stop this persistent haemorrhage of public funds.

For all those reasons, I strongly request you, Mr. Speaker, to grant a debate on this crucial subject at the earliest opportunity.

Mr. Speaker: The hon. Gentleman asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"private medicine abuses within the NHS as condemned by the Comptroller and Auditor General's report."

The hon. Gentleman knows that the only decision I have to take is whether to give this matter precedence over the orders set down for today or tomorrow. I have listened carefully to what he has said, but I do not consider that the matter that he has raised is appropriate for discussion under Standing Order No. 10 and, therefore, I cannot submit his application to the House.

STATUTORY INSTRUMENTS &c.

Ordered,

That the draft Weights and Measures (Liquid Fuel carried by Road Tanker) Order 1985 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Major.]*

WELSH AFFAIRS

Ordered,

That the matter of the Welsh economy, being a matter relating exclusively to Wales, be referred to the Welsh Grand Committee for its consideration.—*[Mr. Major.]*

Orders of the Day

Finance Bill

Order for Second Reading read.

[Relevant document: Eighth Report of the Treasury and Civil Service Committee, House of Commons Paper 306 of Session 1984-85.]

3.41 pm

The Chief Secretary to the Treasury (Mr. Peter Rees): I beg to move, That the Bill be now read a Second time.

Mr. Speaker: I have selected the amendment in the name of the Leader of the Opposition.

Mr. Rees: The House is now being asked to consider the legislative consequences of the Budget. Although it is in a sense a technical tax measure, I think it right in the first instance to set the Bill in its economic and strategic context, not least because we have the benefit of the eighth report of the Treasury and Civil Service Committee, which will, I am sure, make a useful contribution to our debates. However, it may not surprise the House to know that I do not entirely agree with all of its conclusions.

When my right hon. Friend the Chancellor of the Exchequer came to the House about six weeks ago to deliver his Budget speech, he did so against the background of some economic turbulence. At home, the miners' strike had just ended and it was possible to calculate that in 1984-85 it had added some £2¾ billion to the public sector borrowing requirement and had worsened the current account by about £4 billion. Abroad, the unprecedented period of dollar strength was coming to an end, and in consequence the foreign exchange markets were unsettled. The paramount requirement was, therefore, for my right hon. Friend to make it clear beyond any risk of misunderstanding or misinterpretation that the Government were totally committed to reducing inflation still further and would not be diverted from the financial strategy which they had followed consistently since 1979.

I must emphasise that recent policy measures do not reflect any change in policy as some commentators and even, to a degree, the Select Committee have suggested. Rather, they demonstrate the Government's unshakeable resolve to carry out their present policies. The fall in sterling in January posed a clear threat to the ultimate objective of falling inflation. The Government had to react to this in order to maintain sound monetary conditions, and they have taken firm measures to demonstrate that their public sector borrowing and monetary objectives will be met.

Interest rates will remain at the levels that are judged necessary to achieve the right monetary conditions. That does not represent a break with previous policies. As my right hon. Friend the Chancellor of the Exchequer explained in his Budget speech, the precise combination of monetary growth and exchange rates, necessary to keep our financial policy on track, must be a matter of fine judgment.

An increase in the reserve of £2 billion was designed—and I am glad to see that it has been accepted by the Select Committee on that basis—to reinforce the realism of our public expenditure plans and does not indicate any relaxation of our grip there. It serves to underline the continuing pressures in sensitive areas, as the Select Committee has observed, and the continuing need to contain them.

Against that background, it was inevitable that our room for manoeuvre in the tax area should be less than we had hoped last year or at the time of the Autumn Statement. I hope, however, that on closer examination of the Bill the House will recognise that it contains many points of interest an even imagination. As hon. Members study the main features of the Bill, I hope that they will be struck by the number of measures which carry forward the theme of tax reform and simplification which was started in last year's Finance Bill. I hope that they will be struck also by the range of measures designed to promote job creation.

I draw particular attention to the increase in personal allowances — the increase in the married man's allowance, for instance, by 9·5 per cent. and the increase in the single person's allowance by 10 per cent. — in other words, twice that required by statutory indexation. The overall cost of the increases in allowances proposed in the Budget and the Bill is about £1½ billion in 1985-86. This is the fourth successive year that the real value of the basic personal allowances has been increased. They now stand 20 per cent. higher than they were in 1978-79.

It is a familiar and rather threadbare point that the greatest cash benefits from an increase in allowances go to the higher rate taxpayers. In a sense they do, because we have a progressive tax system, but the greatest proportionate gains go to the lower paid. This year, for example, the combination of the increase in personal allowances and the reduction in national insurance contributions for those earning below £90 per week mean that the budget reliefs have been concentrated on lower income groups.

I shall give a few examples. A one-earner couple earning £85 per week—a little below half the average wage — will gain an extra £3.43 per week from the Budget when the reductions have taken effect. This will represent an increase in their take home pay of almost 5 per cent. A married couple on £380 a week—about twice average earnings—would gain £2.50 per week, or just about 1 per cent. on their take-home pay. We expect that a positive effect of these measures will be a general encouragement to people to take up lower paid jobs and a sharpening of the incentive for employers to create more jobs for them.

Another positive effect of these tax measures will be to take a further 800,000 people out of the tax altogether —375,000 more than if the allowances had merely been indexed. For those who argue that many of these people are young people, pensioners and part-timers, I make two points. The first is that we regard it as important— whatever our critics say—to remove as many people as possible with low incomes, whatever the source of that income or their household status, from tax. The second is that the relatively small numbers taken out of the poverty trap show that personal allowances, despite sustained increases under this Administration, are still too low in real terms. That is one of the reasons why we believe in maintaining a firm grip of public expenditure to keep open the way for further cuts in direct taxes.

I should emphasise also that our ideas of changing to a new system of personal allowances—in fact a move towards a system of transferable personal allowances—

[Mr. Rees]

will be embodied in a Green Paper which we shall publish later in the year. My hon. Friend the Financial Secretary will refer to that in greater detail when he replies to the debate. This should ensure that we can have an informed debate both in this House and in the country as a whole on the path of tax reform so that we are ready to move when the Inland Revenue has completed its gigantic task of computerising schedule E and case 1 and case 2 of schedule D taxation.

Mr. Nigel Forman (Carshalton and Wallington): Does my right hon. and learned Friend understand the argument, which is attractive to many of us, that it would not make sense to rush ahead with extensive and far-reaching social security reforms in early legislation if that would preclude the possibility of linking that reform with an overall review of tax and benefits taken together? Will he bear that point very much in mind in considering the time scale in moving forward with both sides of the public accounts?

Mr. Rees: I recognise my hon. Friend's concern, which is shared by both sides of the House. That will naturally be an important question. No doubt there will be opportunities for debate, although this is not a matter for me, when reforms in both sectors are made available to the public.

I draw attention to one further income tax measure—clause 40, which introduces tax relief for half of the class 4 national insurance contributions made by the self-employed. Taken with the measures which the House debated in the Social Security Bill two weeks ago, which cut the class 2 national insurance contributions by £65 per year, these will, I hope, meet the long-felt grievance of the self-employed that their national insurance arrangements put them at a disadvantage as against the employed. Taken together, these two measures will cost around £155 million in a full year. Taken together, they will also, I hope, emphasise our continuing concern for the self-employed, who now number over 10 per cent. of the labour force. They constitute an enterprising, flexible and adaptable element in our economy and will continue, we believe, to make an increasing contribution to our economic growth, particularly as patterns of activity alter.

The considerable reliefs which we are proposing in these sectors need to be balanced by increases in other sectors. That is why we propose increases in excise duties beyond inflation. We have, however, taken careful account of the position of the industries likely to be affeced, including the employment implications of any changes. In particular, the House will note that we have increased the duty on spirits by rather less than inflation. This is designed to give some relief to the Scotch whisky industry, which we accept has recently experienced particular difficulties.

Mr. A. E. P. Duffy (Sheffield, Attercliffe): Is the right hon. and learned Gentleman aware that the excessive increase in duty on beer is not confined to this year? It has been excessive every year since 1979 and represents the most consistent and longest record of heavy increases in duty on beer.

Mr. Rees: I take the hon. Gentleman's point, and I know that concern has been expressed from both sides of the House. The hon. Gentleman will be aware of the infraction proceedings brought against this country, which made it necessary to adjust the balance between the duties on wine and beer. We felt that it was appropriate to phase these matters in as gradually as possible so that the impact on brewers and consumers was not as sharp as it would have been if we had done it in one year. I understand the hon. Gentleman's concern, but he will understand the constraints upon us, which would have been operative on the Labour Government, of whom he was a distinguished member, if they had still been in office after 1979. He will recall that infraction proceedings had been pending before 1979.

Again, while we have increased the duty on cigarettes by more than the rate of inflation, we propose no increase in that for cigars or pipe tobacco. That is in part because the health risks attached to them are, on the best evidence available, less than those associated with smoking cigarettes, and in part to mitigate the overall effect of the duty increases on employment in the tobacco industry.

I should also perhaps refer to the extension of VAT, proposed in clause 10, to newspaper advertising. While we have respected the sensitivities of the powerful advocates of the written word, we hope that the House and the country will recognise that failure to charge press advertising would remain an anomaly. Other forms of advertising are charged—for example advertising on local radio—and although we are not introducing this measure under pressure from the European Commission, I should mention that newspaper advertising is charged to VAT in Belgium, Denmark, France Germany, Italy and Ireland. The yield in a full year will, I hope, amount to £50 million.

Mr. Robert Sheldon (Ashton-under-Lyne): The Chief Secretary will be aware that this will particularly affect classified advertising. This is the mainstay of local newspapers, as they do not benefit from customers getting the advantage of the input tax. Therefore, classifieds will bear the full increase, whereas large display advertisements by larger companies will receive the benefit of the input tax and will not be affected in the same way. This is a serious disadvantage for local newspapers.

Mr. Rees: The concerns of local newspapers have been put to us very forcefully by hon. Members on both sides of the House. However, with his long experience in the Treasury, I am sure the right hon. Gentleman will recognise that this has been a continuing anomaly and that this year it was fair to redress the balance between the various forms of advertising.

Mr. Roy Hattersley (Birmingham, Sparkbrook): I understand why the right hon. and learned Gentleman said that he wanted to rectify the anomaly, and there will be some support from the Opposition for his wish to rectify it in relation to display advertising. However, the problems of classified advertising are the problems not just of small newspapers, but of families who wish to publish notices relating to births, deaths and marriages. Does the Chief Secretary really believe that such people should be taxed without any possibility of recouping it? Will he think about that again?

Mr. Rees: We shall certainly reflect on that, and we shall no doubt discuss the detailed consequences when we debate the matter in Committee. I appreciate that classified advertising is on occasion important to the families

concerned, but I wonder whether it forms a large or important part in their budgets. I understand the concern which has been expressed. We can have a useful debate on the subject, but I do not believe that this proposal will have a serious impact.

I come now to the business sector. Last year we set in hand a major reform of corporate taxation, and we see no need to alter or modify the rates of corporation tax which we then mapped out. The House will recall that for large companies corporation tax will be reduced to 35 per cent. by 1 April 1986. The rate for small companies has been reduced to 30 per cent. retrospectively with effect from 1 April 1983. We have, however, listened carefully to the various representations made about our reforms of capital allowances, and in particular the withdrawal of capital allowances next year.

We have considered carefully the argument that the withdrawal of initial allowances next year will lead to a dip in investment. I have to say that we are not convinced of this, for several reasons. First, although allowances will be lower, so too will corporation tax, and business will continue to benefit by nearly £1 billion a year from the abolition of the national insurance surcharge. Secondly, company profits have risen dramatically in recent years, and company finances are in general sound. Thirdly, the new system of allowances will allow most companies to write off their investments against tax at a rate which on average compares favourably with true economic depreciation. Finally, the new rate of allowances has been introduced in three stages and over a three-year transitional period.

We have, however, thought again about the case for modifying these arrangements for assets with a short life. Clause 54 sets out the change that we propose. It will give businesses the option of keeping investments expected to depreciate rapidly — because of technological obsolescence, for instance — out of the main capital allowance pool. If they are then disposed of at less than their written down value within five years, a balancing allowance will be given. As a result, the cost to the business of the asset will be written off over its life. This measure will, I hope, be particularly useful to high technology businesses, whose capital stock is subject to rapid obsolescence.

So as to emphasise to the House that our appetite for further tax reform has not been satisfied, I shall turn now to some specific provisions in the Bill. The first are those contained in chapter II of part I which derive from the work of the Keith committee, which we set up in 1980 to review the enforcement powers of the Customs and Excise and the Inland Revenue.

It has long been felt, we believe, that the powers of these two departments were overdue for re-examination and reform, so as to ensure that they were effective and that a fair balance was struck between the interests of taxpayers and the Government. It was on that basis that we set up a committee in 1980 under the chairmanship of Lord Keith to review this vast and sensitive area. We are greatly in the debt of this committee for its patient, painstaking and thorough review. Chapter II of part I of this year's Finance Bill contains the results of that review in relation to VAT.

I should emphasise that there was very full consultation on the report itself in 1983-84, and on the draft clauses which were published in November last year. Therefore, no one can say with real justification that the proposals have been sprung on an unsuspecting world. I hope also that on close examination they will be seen to strike a fair balance between the interests of the taxpayer and the Government.

In outline — and we shall no doubt have an opportunity to examine the provisions in more detail in Standing Committee—we propose a revision of Customs and Excise powers in relation to VAT control and investigation work, coupled with increased safeguards for taxpayers. We also propose the introduction of a civil offence code for compliance failures and less serious frauds in place of the present quasi criminal sanctions.

I should emhasise that, in deference to the many comments and representations received, we have introduced a number of important changes since the Keith report. In particular, we have increased the rights of appeal to cover situations where the taxpayer considers that there has been reasonable excuse for his failure to comply with the law and that he had exercised all due diligence. The default surcharge and misdeclaration penalties have also been targeted more specifically on persistent late payers and substantial errors. The balance of the proposals has thus been tilted further towards the protection of the taxpayer, without, we believe, losing sight of the aim of improving the compliance of dilatory taxpayers.

If the package commends itself to the House, we expect that it will halve the amount of VAT outstanding — perhaps over £1 billion at any given time—produce an increased revenue flow of £50 million a year, result in a once for all increase in the revenue flow amounting to £600 million by 1988-89, and produce an annual revenue for surcharge, interest and penalties amounting to £150 million over time.

Mrs. Elaine Kellett-Bowman (Lancaster): With regard to VAT outstanding, will my right hon. and learned Friend, in conjunction with our right hon. Friend the Secretary of State for Trade and Industry, do something about the large number of bankruptcies which are caused by the VAT man taking the first bite of the cherry? The matter is coming up for discussion tomorrow.

Mr. Rees: My hon. Friend puts me in a difficult position. Those who have been bankrupted, to whom my hon. Friend refers, have, after all, been collectors of VAT on behalf of the general body of taxpayers. Although I would be happy to look at any individual cases where perhaps there has been an excess of zeal in exercising powers, it would be difficult to soften the procedures any further. Indeed, I hope that when they are examined in detail it will be seen that the interests of the taxpayer have been safeguarded.

Sir William Clark (Croydon, South): May I try to elaborate the point which I think my hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman) was making? Where the Customs and Excise is dilatory in collecting VAT and a firm goes into bankruptcy, the Revenue is protected against the other creditors. That is the anomaly that we have to eradicate.

Mrs. Kellett-Bowman: Yes.

Mr. Rees: I apologise to both my hon. Friends. I had not realised that the reference was to the insolvency provisions. It will be a matter for consideration by the House when insolvency legislation is brought before it. I

[Mr. Rees]

do not think that it will arise out of the provisions in the Finance Bill, but I shall bear in mind what my two hon. Friends have said.

Mr. D. N. Campbell-Savours (Workington): Is there not evidence that many companies, in the rather difficult trading conditions of today, are extending more credit and by doing so are delaying the date on which they will receive the VAT payment which is due to them? In those circumstances, in the event that the Minister presses forward in the way that he suggests—I am not wholly opposed to the proposal, but I am opposed to many parts of it—surely the effect will be to impose a VAT burden on businesses which they cannot afford to pay because they have not themselves been paid. When the rules were readjusted, to what extent was that problem taken into account?

Mr. Rees: The rules will not alter the chargeable event by reference to which VAT is collected. They are merely, as it were, the collecting mechanisms when a chargeable event has occurred. The hon. Gentleman is suggesting that because credit has been extended in hard times that necessarily alters the chargeable event. There may be odd occasions when that is so, but in general it is not true. The chargeable event remains the same. I think that there will be a chance to examine the matter in detail in Committee and to consider the point that he has made. He might care to give me advance notice of any particular case that he has in mind, so that it can be measured against the provisions.

Mr. Campbell-Savours: I already have.

Mr. Rees: I think that there are two points to be debated. The first is whether the chargeable event is set at the right moment. The second is whether the collection mechanisms are sufficiently effective, or too effective. We can consider both points in due course.

I now move to another area of reform. We are conscious of the fact that, even with the provisions introduced in 1982, capital gains tax can still be regarded as a levy imposed on inflationary as well as real gains.

Clause 64, therefore, modifies the indexation formula for capital gains tax. The exclusion of the first 12 months' inflation from the allowance for assets acquired after March 1982 is lifted. For assets held in March 1982, indexation on the post-March 1982 gain will be based on the market value of the asset on that date. Indexation will also be extended to losses.

The effect of the changes is that inflationary gains from March 1982 onwards will be fully offset against the capital gains tax liability. The tax will be charged only on real gains from that date. There remains, however, an element of taxation of inflationary gains made on assets acquired before March 1982. I have to say, in all candour, that to extend indexation to inflationary gains before March 1982 completely would have been too expensive in revenue and staff.

Finally, I deal with development land tax. In clause 87 we propose the abolition of development land tax. If this move commends itself to the House, it will be the third tax which the Government have abolished in two years. *[Interruption.]* I am glad that there is enthusiasm on both sides of the House for that bold and far-reaching measure. I have to say that it was the least cost-effective tax in the statute book, raising only £80 million last year at an administrative cost of about £5 million. The net cost of abolition will, in fact, be only about £50 million in a full year, as there should be an increase in income tax, corporation tax and capital gains tax yields on gains previously charged to development land tax. But above all, abolition should remove 200 pages of complex legislation from the statute book and will, we hope, bring more development land on to the market and help the construction industry.

There are some who have described the Budget—and so, I suppose, by extension, the Finance Bill—as a dull Budget. I would not be dismayed if either were classed as dull. There are occasions for drama and occasions for self-restraint. What is important is that the Budget and the Finance Bill were and are right for the circumstances of this year. The Budget has, I believe, signalled clearly that we have not faltered in our economic objectives.

The Finance Bill will, I hope, be recognised as a carefully constructed, thoughtful Bill, entirely consistent with our economic strategies, directing reliefs where I believe the country would require them to be directed—particularly to the less well-off, and to the creation of jobs—but also a Finance Bill which carries further forward the process of sensible, enlightened, tax reform which will, over the lifetime of several Parliaments, give us a tax system which is in tune with the times in which we live. It may not dazzle, but nor should it alarm. I hope it will reassure the country that its financial affairs are in firm and competent hands. On that basis, I commend it to the House.

4.9 pm

Mr. Roy Hattersley (Birmingham, Sparkbrook): I beg to move, to leave out from "That" to the end of the Question and to add instead thereof:

> This House declines to give a Second Reading to a Bill which fails to face the real problems of the United Kingdom economy, increases the burden of taxation without providing adequate relief for the lowest paid or desperately needed help to pensioners, the sick and families, and is the product of a Budget which was misleadingly described by the Chancellor of the Exchequer as primarily intended to reduce unemployment.

The House will have noticed that the Chief Secretary addressed us in a more subdued mood than on the last occasion when he spoke to the House. His new attitude was wholly appropriate for the introduction of this mouse of a Bill, which is not simply regarded as timid but, according to all the evidence, the most unpopular Finance Bill presented to the country since the war — [HON. MEMBERS: "Rubbish."]—by the most unpopular Chancellor of the Exchequer. That is the clear evidence of the polls.

If the Chancellor of the Exchequer does not recognise that, we are likely to continue to see not only the downward spiral of the Government's popularity, which we naturally welcome, but the continual debilitation of the economy. The one contribution that the Chief Secretary made to the standing of his Government was the repetition with something approaching conviction that the Bill stood for no change in the strategy, an unshakeable resolve to continue as the Government had begun, and the continuation of the policies which the Government have followed since 1979. The Chief Secretary always manages to make that promise as if he did not realise that the continuation of that strategy was the continuation of a

strategy which has produced record unemployment, record company liquidations, record real interest rates and a general debilitation of the economy. The right hon. and learned Gentleman may not recognise that, but when one considers his constituency and his majority, one sees that the electors of his constituency will have recognised that by the time of the next general election.

Six weeks ago when the Budget, on which the Finance Bill is based, was presented to the House, some Conservative Members either genuinely believed or pretended to believe that the Chancellor of the Exchequer intended the Bill to be a major assault on unemployment. Six weeks ago that was their excuse for opposing the one package which would have begun to put Britain back to work — the concentration of available resources on public sector capital investment. By now, even the most gullible Conservative Back-Bench Member must understand the truth.

There was little in the Budget, and there is virtually nothing in the Bill, which is intended to reduce unemployment. The changes in income tax thresholds, to which I shall return in detail later, were not proposed for that purpose. On the supply side, the argument that unemployment is high because of a lack of incentive to work is plainly preposterous, as a comparison of pay and unemployment benefit demonstrates. Unemployment is high, not because men and women will not look for jobs, but because they cannot find them.

The demand side case for tax cuts as stimulants to employment can be dismissed in two sentences. First, if there is a need to increase demand, as we believe there is, there are much better ways of using available resources to create jobs, and the best way is investment in public sector capital projects. Secondly, the Government do not believe, and continually repeat that they do not believe, that any increase in demand is necessary. Half the Government's case on unemployment is that demand is adequate. I hope, therefore, that Conservative Back Bench Members who attempt to defend the Budget as a Budget for jobs will not pretend that the reductions to the allowances have anything to do with that objective.

The Bill does not even acknowledge the need to reduce unemployment, nor does it contain anything specifically with that aim in view. It adds to the annual tax bill, thus compounding the fraud of which the Government have been guilty for six years—the promise of tax cuts and the reality of an increase of £29 billion in the annual tax bill from 1978-79 and 1985-86.

The Bill is not the product of a Budget for jobs. If the Budget was for anything, it was for sterling. It was made necessary by the way in which the Chancellor and the Prime Minister bungled exchange rate policy in January. Yet the exchange rate remains at its present level only because interest rates are kept artificially and damagingly high, with catastrophic effects for mortgage holders.

The Chief Secretary rightly said that we must consider the context in which the Bill was introduced. The Bill is introduced with base rates at 12.5 per cent., against a background of a cut in the public sector borrowing requirement, and against a tightening of monetary policy. It increases the tax take by more than £3.5 billion. Against all those background facts, the result of the Bill is far more likely to be an increase in unemployment than a reduction in it. That gloomy fact is confirmed by the Treasury forecast that the underlying rate of growth will fall next year and that there will be no improvement in it the year after.

Two weeks ago, the Leader of the House, knowing what the Bill contained and what the Budget proposed, wrote to his constituents predicting a fall in unemployment before the next general election. I ask the Chief Secretary now, and I shall give way to him at once for his answer, whether, on behalf of the Treasury, he will confirm the prediction by the Leader of the House that unemployment will fall before the next general election. [HON. MEMBERS: "Answer."] I am not surprised that he does not answer. On the radio the Chancellor of the Exchequer pointedly avoided supporting that forecast, and the Secretary of State for Employment has been similarly reticent. That is not surprising, because they both know that what the Chief Secretary this afternoon called the employment creation measures, which are the Government's only gesture to the 3.5 million unemployed within the Budget, of which the Bill is part, will not even be fully effective when we debate next year's Finance Bill.

The youth training scheme will be phased in after April 1986, the expansion of the community programme will come fully into operation in June 1986, and the changes in national insurance contributions take effect next October.

The Bill will not even scratch the surface of unemployment, nor will it satisfy the other hopes which the Chancellor excited during the winter to bolster up his flagging popularity in the Conservative party. There were hints of massive tax cuts and claims of massive tax reforms. The Bill provides neither. The Chancellor has discovered that it is far easier to demand tax cuts than to deliver them, and far simpler to advocate tax reforms as a journalist than to implement them as a Chancellor of the Exchequer.

Last year, at the beginning of his Second Reading speech, the Chief Secretary described the 1984 Bill as a "radical and imaginative reform of our tax structure." — *[Official Report,* 10 April 1984; Vol. 58, c. 248.]

He was wise not to make such a claim this year. The Chancellor has chosen to hide behind a Green Paper or, to be exact, two Green Papers. We had one about the taxation of working couples in the last Parliament. The great tax reform rabbit pulled out of the hat on Budget day was that we were to have a second Green Paper on these crucial subjects — most notably, important and significantly, on the taxation of working couples. When the Financial Secretary replies, will he tell us why we have to wait for a second Green Paper? Why was the Green Paper of his predecessors not regarded as a basis for action? Is it, as most people suspect and as I suspect, that the Green Paper is regarded as an alternative to action rather than a promise of progress? The Green Paper on tax reform means that there will be no major tax reform in the lifetime of this Parliament. The switch from direct to indirect taxation has been halted, a change of strategy that Labour Members applaud. But that has happened not because the Chancellor has changed his mind but because the Chancellor has lost his nerve. All the heady promises to eliminate distortions, increase incentives and improve the use of resources have been forgotten or abandoned. The Bill contains only three items which the Chancellor was prepared to describe as tax reform during his Budget statement.

[Mr. Roy Hattersley]

It is true that the Chief Secretary has reminded us today of a default surcharge and some other reforming measures, but those were not measures sufficiently significant to command the Chancellor's attention when he introduced his Budget to the House. In fact, his entire package of reform on that day consisted of three items, two of them simple abolition. The stamp duty on gifts and other minor transactions is to go and so is development land tax. But the one item that the Chancellor would have condescended to call reform in his mood of last year is the simplification of capital gains tax, which, incidentally, I am sure offers a £155 million reduction to those who pay tax.

It may be that the Chancellor would argue—I look forward to hearing the Financial Secretary on this point because his parliamentary answers are significant in this debate—that the changes in national insurance payments that were part of the Budget are in themselves an item of tax reform. Were he to do that he would be conceding what the Prime Minister continually denies — that national insurance contributions are a tax.

I welcome, as did my right hon. Friend the Leader of the Opposition on the day of the Budget, the reduction in employees' contributions. Indeed, we advocated that principle before the Budget as part of the proposals that we made for the sort of Budget that we would like to see. After the Budget we said that the changes were an excellent idea, badly applied. But we have never believed that they could be anything other than an attempt to increase the take-home pay of the lowest paid. We have never believed that an adjustment in the national insurance contributions could be what the Chancellor regards as something synonymous with or comparable to a tax incentive which would in itself create more jobs.

It is worth noting that even now most contributors to the national insurance scheme are paying more than they did under the Labour Government. They were paying 6·5 per cent. of their calculable earnings in April 1979 and now, unless they are earning £55 a week or less, they are paying 7 per cent. So I hope that as the debate goes on we shall not hear grandiose claims of how the measures to reduce national insurance—which is the background to the Budget — are in some way the alternative to the supply side measures, about which the Chancellor talked in a way which might have induced the unwary to believe that they would be included in the Bill.

In any event, the Labour party has never believed that such changes to the cost of labour and employment could contribute to the solution of the central problem of the economy, which is the reduction in unemployment. I repeat what I said a moment ago. A point which the Bill seems unable to understand and does not accommodate is that the problem of the economy is neither that wage costs are too high nor that people will not attempt to find work. The problem of the economy and the unemployment which results from that problem is that there is not enough work available because there is insufficient demand and investment.

Mr. Peter Rees: As I sense that the right hon. Gentleman is leaving the area of tax reform, and as he has told us his position on VAT and, presumably, on indirect taxes, what areas of direct taxation does he feel are ripe for reform which he would tackle if he were Chancellor?

Mr. Hattersley: The aggregation of the married man's and woman's taxation, the working partnership, has to be tackled. I believe at one time that the Government would tackle that by disaggregation. I suspected that when they did so they would not make sufficient compensation for people at the bottom of the income scale, but that clearly must be tackled and, in his Budget statement, the Chancellor talked as if he accepted the need to do so. I cannot understand why, having had one Green Paper on the subject three years ago, he now requires a second Green Paper on the subject before he is prepared to grasp the nettle. My conclusion from that is that he believes that there are solutions which, while they are right socially and fiscally, may be electorally unpopular, and he therefore postpones them rather than faces them in the way that a proper Chancellor would.

Having answered that question, let me return to the subject from which the right hon. and learned Gentleman momentarily diverted me. I repeat that the problem of the economy is neither that wage costs are too high to encourage expansion, nor that wages are too low to encourage unemployment in preference to work. In any event, were those problems to be the difficulties which the Government pretend, putting together the income tax proposals in the Bill and the national insurance proposals in the Budget that go with them, the basic income tax structure of Great Britain remains, like the Government, biased against the low-wage earner.

The national insurance proposals create a series of new wage traps. In a period of tighter money and slower growth they simply result in the encouragement of low paid jobs at the expense of more highly paid employment.

Mr. Terence Higgins (Worthing) *rose*——

Mr. Hattersley: I notice that the right hon. Gentleman wants to intervene. Does he want me to give way now or after I have given examples to demonstrate the point that I was making?

Mr. Higgins: Later.

Mr. Hattersley: Taken together with the Bill, the national insurance proposals leave the Government's basic tax record unchanged. Compared with 1979, taxes are higher for the low paid and lower for the high paid. The richer the taxpayer the bigger the tax cut he or she has enjoyed under the Government. Indeed, the Government have a unique record which has not been duplicated in the past 150 years—a record of taking from the poor and giving to the rich. Let me give the House some examples.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): The right hon. Gentleman talks about taking from the poor and giving to the rich, but how will it help Britain's economy to return to what he says he wants—the highest penal rates of taxation, which we inherited? It means that he wants to go back to the days of 95 per cent taxation — *[Interruption.]* — or 98 per cent. taxation. Who cares which; there is nothing left anyway. Will that not discourage every person who has ever created any wealth? Will that not ruin Britain? Will his envy and malice not destroy Britain rather than rebuild it?

Mr. Hattersley: All that the hon. Gentleman proves by quoting me as saying that I want to see 98 per cent. taxation is that he reads the *Daily Mail* and believes it. I have never said that but the *Daily Mail* continually repeats that I have. During the Budget debate I made it explicitly

clear that my objection to 98 per cent. marginal rate of taxation was that even when it was in operation the only people who paid it were pop singers with large amounts of investment income and incompetent accountants. Certainly I want to obtain a higher level of taxation from the better off and certainly I want to reduce——

Mr. Beaumont-Dark: How high?

Mr. Hattersley: I urge the hon. Gentleman to concentrate, as I urged his colleagues to concentrate during the Budget debate——

Mr. Tim Eggar (Enfield, North) *rose*——

Mr. Hattersley: I have told the hon. Gentleman on previous occasions that I do not find his winsome ways particularly winning. I propose to answer the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) and then I shall give way to him.

I urge the hon. Member for Selly Oak to concentrate not on marginal tax rates but on the other forms of allowance that enable the very rich to pay a disproportionately small proportion of their earnings in tax. The hon. Gentleman must explain to his constituents how he can justify a taxation regime that has required higher percentage payments from the worse off and lower percentage payments from the better off. That is an intolerable and unjustifiable system.

Mr. John Townend (Bridlington) *rose*——

Mr. Hattersley: No, I must give way to the winsome hon. Member for Enfield, North (Mr. Eggar).

Mr. Eggar: Will the right hon. Gentleman tell us what the highest tax rate would be if he were Chancellor of the Exchequer?

Mr. Hattersley: No, of course I cannot. Such a question is preposterous. [HON. MEMBERS: "Oh."] The idea that the Opposition might find themselves incommoded by their inability to introduce the Budget of 1988 in the spring of 1985 is suitable only for schoolboy humour.

I cannot—and would not as Chancellor—tolerate a situation in which the richest 14 or 15 per cent. of the population enjoys massive tax cuts while the poorest 20 or 30 per cent. pays more. I am determined to redress that balance.

Sir William Clark *rose*——

Mr. Hattersley: I promised to give some examples. I shall do so before I give way. As I said before the welter of interruptions, under the present Government, the richer the taxpayer, the bigger the tax cuts that he enjoys. The statement that drew hon. Members so passionately to their feet—the statement that embarrasses them or that they wish would not be repeated — was that the present Government have a unique record in taking from the poor and giving to the rich.

A married worker on average earnings with two dependent children will, after the passage of the Bill, pay 3·1 per cent. more in income tax and national insurance contributions than he or she paid in 1978-79. A worker on half average earnings will pay 14 per cent. more. However, a worker on five times average earnings will pay 13.8 per cent. less, and a worker on 10 times average earnings will pay 23 per cent. less. I shall gladly give way to any hon. Gentleman who can justify a system under which a taxpayer on 10 times average earnings pays 23 per cent. less tax, while a taxpayer on half average earnings pays 3·1 per cent. more.

The Financial Secretary to the Treasury (Mr. John Moore): Does the right hon. Gentleman not agree that the people in all the examples that he has given are better off after five or six years of Conservative Government, while they were worse off after the same period of Labour Government?

Mr. Hattersley: Some people at the bottom of the income scale are absolutely better off, but some are not, and that is a disgrace. What is extraordinary is that the Financial Secretary—and, for all I know, the Chancellor —tries to justify the relative changes. Can he justify the fact that the poor pay more tax, while the rich pay less, simply by saying that there has been a small increase in their gross earnings, net income or real income? No one could justify the comparison that I have made, and the country will note that neither the Financial Secretary nor any other hon. Member tried to justify the relative changes in the tax system.

Sir William Clark: The whole House would agree that under no circumstances should the right hon. Gentleman, as shadow Chancellor, say what a future Labour Government would do. Of course he cannot give a categorical assurance about future tax rates. However, will he confirm that, in order to raise revenue, the next Labour Government would introduce a wealth tax and cancel mortgage interest relief?

Mr. Hattersley: In the belief that some hon. Member would be weak-minded enough to ask me about mortgage interest relief, I brought with me a paper from which I could read all the steps that past Labour Governments have taken to assist interest relief to home buyers. The House may be delighted to be reminded of the 11 items of assistance to home ownership introduced by previous Labour Governments. The hon. Member for Lancaster (Mrs. Kellett-Bowman) whispers to me from a sedentary position that that would not amuse her. I shall therefore merely say that the Labour party has no intention whatsoever of abandoning mortgage tax relief. We have made that clear on innumerable occasions. However, as the Conservative party believes that it is in its interests to keep repeating the falsehood, no doubt we shall have to continue to make our position clear.

Mrs. Kellett-Bowman *rose*——

Sir William Clark *rose*——

Mr. Beaumont-Dark *rose*——

Mr. Hattersley: No, no, no. My assurance that there is no such intention could not be more categorical. Any hon. Members who pursue that line of argument simply show how poverty-stricken are their arguments about the state of the economy.

There must be a major change in the structure of our taxation system. We have always advocated such a change, and will continue to do so, in the belief that the neglect of the interests of the lower-paid is one of the great scandals that besmirches the Government's record. A Chancellor who had really wished to help the lower-paid, and to give any veracity to interventions such as that of the Financial Secretary, would have constructed a different Budget. He would have increased child benefit at least by

[Mr. Hattersley]

the percentage by which the tax thresholds were changed. It was the clear intention when child benefit replaced child allowance that whenever there was a major revision in the tax thresholds child benefit would be increased by the same amount. Had that not been so, the simple introduction of child benefit would have penalised families. The Opposition believe that there is overwhelming evidence that the most direct and cost-effective way of alleviating poverty would have been substantially to increase child benefit. Low income families with children have suffered more than any other families during the prolonged recession. The available resources should have been concentrated on their urgent needs.

By changing the thresholds, the Chancellor has reduced the annual tax bill for a worker earning, say, £5,000, by £90 a year. However, because of the nature of tax thresholds, the same process reduces the tax bill for a worker on £50,000 a year by £565 a year. His tax reduction is six times as great as that enjoyed by the low-income family. The needs of such high-income groups should not be a high priority. The money spent on ensuring that they receive tax reductions should have been concentrated on the lowest-paid and the poor.

Sir Kenneth Lewis (Stamford and Spalding) *rose*——

Mr. Hattersley: That would have been much more effectively done by using the money available for child benefit in preference to other alternatives. The Government have boasted that the adjustment in the tax threshold has taken 800,000 workers out of tax altogether. That boast requires critical examination, some of which the Chief Secretary anticipated. However, while the hon. Gentleman posed a question, he gave no answers.

The hon. Gentleman was right to say — if only because he knew that if he did not say it, we would— that very many, if not most, of the workers taken out of tax are young people, married women, pensioners and part-time workers. Those are the groups on whom the Government rely in many particulars. They are the groups on whom the Government depend for their bogus demonstration that they are increasing employment. On this issue, however, they are a particular group which must be analysed in a particular way. Their earnings are often additions to the principal family income, and taking them out of tax is not a head-on assault on poverty, nor is it a change that provides major relief from the wages trap.

The wages trap bites most severely on heads of households in receipt of family income supplement. Leaving aside the numerous additional wage traps that are almost certainly being created by the new national insurance thresholds which the Chancellor proposes, it is important to examine the wages trap as it applies to and as it might be reduced by the new measures and their removal of 800,000 taxpayers from tax.

Last year's Finance Bill took 450,000 taxpayers out of tax, but only 2 per cent. of them were heads of households and family income supplement recipients, although they were the people who needed the assistance. Only 2 per cent. of them received it in a form that might have done something about poverty and the wages trap. I should like the Financial Secretary to answer three questions about the 800,000 families or taxpayers who, as a result of the Bill, will not pay tax. How many are in full-time employment? How many are family income supplement recipients, as distinct from being on low wages but which receipts are supplementary to the main income in their family? How many were released from taxation in last year's Budget and were recaptured during the financial year, thus enabling the Government to make the same boast twice about the same group of taxpayers?

The answers to those questions will be revealing in terms of the Chief Secretary's claim and in terms of the nature and character of the Bill. The answers will show that the Bill does even less than was originally thought. As neither the Budget nor the Bill was ever thought to amount to much, that is very little. We are debating a trivial Bill which is the product of an inadequate and uniquely unpopular Budget brought in by an inadequate and uniquely unpopular Chancellor, and it does not deserve the House's support.

4.42 pm

Mr. Terence Higgins (Worthing): The Order Paper draws attention to the report of the Treasury and Civil Service Select Committee on the Budget, which is relevant to this debate. I should like to express my appreciation to the officials of that Committee and to the printers for getting the report out on time. The timetable was tight, because we took evidence from my right hon. Friend the Chancellor, Treasury officials, the Governor of the Bank of England, the Trades Union Congress and the Confederation of British Industry.

The report is part of a trio, as the Committee also reported on the autumn statement and on the public expenditure White Paper. Many of the comments in the three reports should be regarded as an entity and relevant to the overall appraisal of the Chancellor's economic policy.

The central innovation in the Budget, and much of the interest in it, centred on changes to social security payments. It is extraordinary that the Finance Bill contains no trace of those proposals. They were instead incorporated in a Bill which has already reached its Report stage. As a result, the House has not been able to debate in detail any of the proposals for national insurance contributions changes which, in evidence to the Treasury and Civil Service Select Committee, the TUC and the CBI said ought to be debated. The Committee strongly recommends that any further significant changes in national insurance arrangements should be debated fully at all stages.

In eliminating the upper limit of employers' national insurance contributions, rebate is no longer to be given to firms which have contracted out of the Government's pension system. That should be considered. We shall now have three levels at which there is a deterrent for people working overtime or taking on higher paid employment. Although the step is smaller, a greater number of people are affected and deterred. Eliminating the upper limit on employers' contributions will adversely affect high technology, high value added products and those engaged in export industries or in invisible exports, on which we depend heavily. It is wrong that we have had no opportunity to examine those proposals in detail.

It is abundantly clear, however, that the notion of a contributory principle meaning anything in regard to employers' contributions has now been finally and utterly dispelled. As the Select Committee says at paragraph 42:

"We cannot see any distinction between the employers' contributions and a straight payroll tax which is a tax on jobs."

I hope that we shall be able to pick that matter up in the review of social security which is about to be published.

I welcome another omission from the Finance Bill. Before the Budget there were many rumours about the imposition of VAT on books, newspapers and children's shoes and about changes in pension contributions, pension funds and lump sums. None of that is to be found in the Bill. I greatly welcome that, but it shows the need for a real green Budget in the autumn when we can consider real proposals as opposed to rumours about proposals before the Budget and Finance Bill.

When giving evidence to us, the Chancellor seemed to hint strongly that he did not think it a good idea to have any estimate of the fiscal adjustment in the autumn statement. The Select Committee strongly believes that to eliminate it would be a retrograde step. We need the best available information. Indeed, it would be rather quixotic to say that information which is published in the Red Book for several years ahead will not be published in the autumn. Without such a concept it is difficult to see how the basic idea of a medium-term financial strategy can exist. The Committee deals with that matter in some detail. It would be quite wrong for the House to be given less information.

When it came, the Budget did not use the available fiscal adjustment fully. If anything, there was more scope for a reduction in taxation after the autumn statement, but bore the Budget, but that did not happen, and for an obvious reason—the turbulence in the exchange markets between the time of the autumn statement and of the Budget and the introduction of the Bill.

There is considerable ambiguity about the Government's exchange rate policy. There are obvious reasons why they do not publish a target or a floor. The figure might change from time to time and, if it was not reached, that would be seen as a defeat which would undermine confidence. It would definitely be a help to speculators. However, it is naive and unrealistic for the Government to continue maintaining that they they have no view of what the exchange rate should be. In the relevant parts of the Red Book and ministerial statements, we are told of the monetary growth and exchange rate which are needed to keep financial conditions on track. We cannot have the exchange rate which is needed if we have no idea what it should be. This is a big change. Similarly, we are told that short-term interest rates will be held at levels necessary to achieve the conditions desired by the Government's economic policy.

Both these are significant changes. We have seen an evolution of Government policy over time. When the Government first came to office, we were told that the object was to set the money supply targets and then interest rates, and the exchange rate would be determined by market forces. Today, the Chief Secretary was anxious to say that there had not been any change in this respect. However, that does not accord with the facts.

Looking at the way in which the policy has been developing, we see clearly that the Government are intervening in markets not only by way of operations in the market but by the use of interest rates to achieve an exchange rate which they seek to find consistent with their general economic policy. The same applies on the interest rate side. We no longer have a monetarist policy in the sense that the money supply is being controlled. It is not technically possible to have both a money supply policy and an interest rate policy, and it is clear that we now have an interest rate policy.

All this has to be set against a background which has been extremely difficult for the Chancellor of the Exchequer. We understand why the Finance Bill is as unforthcoming as it is because of the general economic environment.

I believe that the present economic situation is extremely hazardous because of the way in which matters have been developing internationally. We have seen the sterling-dollar exchange rate vary by almost 5 per cent. in three hours. We have seen the sterling-dollar rate go up by 25 per cent. since the floor it hit in February. That is of interest in terms of the dollar. It is more worrying that it has also gone up against the European currencies as well, from the point of view of our competitive position.

What worries me is that it does not appear that the present international situation is sustainable. There has been an enormous United States deficit. We have seen an inflow of funds from abroad sustaining that deficit. We have seen a rise in the dollar exchange rate and a substantial deterioration in the United States balance of payments matched by a corresponding inflow of funds. That has continued, but it cannot be sustained indefinitely. Sooner or later we are likely to see a so-called "hard landing" — a collapse of the dollar. That will be of vastly more significance than the fiscal measures which we are considering in detail in the Finance Bill.

That being so, there is an urgent need for a real contingency plan to deal with that possibility. Unless we devise such a plan, the effects may be very serious. The obvious reaction of the United States authorities facing a sudden outflow of funds from abroad is likely to be to raise United States interest rates. That will have serious repercussions on the American banking system, which has had its troubles recently, and disastrous repercussions on such Latin American countries as, Argentina, Brazil, Mexico and so on, which themselves are adversely affected if interest rates go up, but to which a number of American banks are heavily committed.

We need a degree of co-ordination which we do not appear to have at present. If the position which I have described came about, the right reaction would be for a co-ordinated reduction of interest rates according to where the money was going. We know fairly quickly where it goes. It goes to Japan, Germany or the United Kingdom. A reduction in interest rates would obviate the need for a rise in American interest rates.

It would have to be done very quickly because, as I say, at present we can have a 5 per cent. variation in three hours. In those circumstances, it is difficult to tell whether a collapse is occuring. If we are to deter overall chaos in international markets, the central bankers or Finance Ministers will need to make a statement rapidly.

In the same context, I pick up a point which is not the tactical one but the strategic one. There was some publicity in the *Financial Times* last Saturday of the response of the Chancellor of the Exchequer to Mr. Shultz's statement about the need for other countries, especially in Europe, to reflate or increase economic activity against the background of the United States rate of growth slowing down. This needs to be considered very carefully. In an earlier report, the Treasury Select

Committee stressed the need for action to deal with misalignments of currencies which might go on for a considerable time.

I understand why my right hon. Friend the Chancellor of the Exchequer did not feel that he wanted to go for a general reflation. That has not been his policy. However, we must press for a reduction in the United States deficit and at the same time see whether interest rates generally can be lowered. It does not seem that a degree of international co-operation designed to remove present exchange rate misalignments would necessarily be inconsistent with the view which the Chancellor of the Exchequer expressed the other day.

If we can generally reduce the level of borrowing it may be that we can reduce interest rates and sustain growth to a level which we would all like to see, but I feel strongly that present circumstances are difficult and hazardous and that it is necessary, especially ahead of summit meetings due to take place shortly, that we should clear our thoughts on this.

Other than that, the Finance Bill is not, as the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) described it, the most unpopular one in living memory or in the last 20 years. It was not an exciting Budget, and this is not an exciting Finance Bill. It merely falls into place against the broad international economic background about which I have expressed concern.

4.57 pm

Mr. J. Enoch Powell (South Down): I make my apology in advance. My contribution to the debate will be entirely interrogatory in character. It will be neither condemnatory nor laudatory, but I shall seek to obtain the answer to a specific question which has puzzled me for a long time as I observed the operations of this Government and of the Treasury under this Government.

On this occasion I have fortified myself against the repeated disappointments I have suffered when endeavouring to pose this question in the unfavourable context of Question Time. I have been able, in the context of a debate, to be forearmed, having attempted to express to the Chancellor of the Exchequer so far as I could the nature of my puzzlement in advance. I look forward with correspondingly greater anticipation to hearing what the Financial Secretary has to say.

Here are a Government who assert as one of their achievements, of their claims to gratitude, that they have reduced the level of inflation. That is a claim of pure causation—of a relationship of cause and effect between the policies of the Government and the decline in the rate of inflation.

I will take no notice of the fact that there has been a noticeably similar trend towards a falling rate of inflation in the outside world. That is the kind of observation which is thought relevant when we discuss unemployment but eschewed by the Government whenever they deal with their achievement in the reduction of the rate of inflation. So I will leave it on one side and assume that the Government are making a just and justifiable claim when they say that the fall in the rate of inflation is the result of their deliberate operations and of the nature of their policies. I inquire as to the particular mechanism by which the Government have brought this about.

There is a curious feature in the Red Book which confronts the seeker for that mechanism. That is the remarkable wealth of vocabulary employed in the various paragraphs to describe the relationship between Government policy and the fall in the inflation rate. It is true that in paragraph 2.01 there is a fairly clear active verb —"achieve". The paragraph states that the strategy

"is designed to achieve falling inflation".

That is a firm statement of intended cause and effect. But two paragraphs lower the document merely states:

"Inflation has been broadly as envisaged".

Then, in a footnote to paragraph 2.09 on monetary policy we are told:

"The money GDP figure for 1985-86 is a forecast; and in subsequent years the figures are assumptions."

So the fall in the inflation rate—though I agree that it is only one of two factors in the movement of money supply GDP — is in danger of being viewed there as a "forecast" rather than the result of an active process.

As the right hon. Member for Worthing (Mr. Higgins) pointed out, paraphrasing paragraph 2.12, the Government's overriding aim is to maintain conditions consistent with a fall in the rate of inflation. But paragraph 2.16 uses the word "projected". It states that inflation is "projected" to fall to certain levels in subsequent years.

Take, however, paragraph 2.23, the fiscal projection for the year 1985-86. Inflation is firmly put there at 5 per cent. Admittedly, as the years recede towards the time horizon, inflation declines beautifully—

"less by degrees and beautifully less"

as the poet wrote—to 4.5 per cent., to 3.5 per cent., to 3 per cent.

Here is the basis of my difficulty. If the Government have caused the fall in the inflation rate that we have experienced—if that result is the consequence of their operation of the monetary or other weapons at their disposal—why have they programmed that fall to be 5 per cent., 4·5 per cent., 3·5 per cent. and so on down to a zero which does not appear in any of the tables in the document, although it has featured in the Prime Minister's utterances? If the Government have the secret and are, in fact, working the mangle—in a moment I shall inquire of what nature that mangle might be assumed to be for our purposes—why do they not work the mangle to achieve the Prime Minister's wishes sooner than that distant time to which they have been banished by the projections in the Red Book? Are the Government deliberately ensuring that inflation does not fall below 5 per cent. during the present financial year? That must be the implication. If it was they who brought the inflation rate down from 10 per cent. to 5 per cent., the implication is that the Government will deliberately so behave that inflation shall be 5 per cent. —no more or no less than 5 per cent. —during this financial year, and that they intend so to adjust their monetary mangle during the next financial year that inflation comes out at about 4·5 per cent.

Such is the nature of my difficulty. If the Government have the power to manipulate the inflation rate and are to that extent in charge—if this is not something that has happened to them, not their one piece of economic good luck, but the deliberate result of their intentions and policy —why do they fix the figures exactly where they have fixed them? And how do they set about ensuring that they achieve those figures and not, by some disastrous

mischance, a much more rapid fall in the inflation rate, however welcome that fall might be to the head of the Government?

I can make sense of all the Government's various statements on the assumption that they are following a monetarist policy and regard inflation, for practical purposes in modern times, as the consequence of funding a borrowing requirement by borrowing from banks and not from the public. Their assumption is that, as a result of those inflationary forms of financing a budget deficit, Governments entail inflation upon their unfortunate subjects. I do not believe that the Government have resiled from that position; and in that I differ from the interpretation of the right hon. Member for Worthing and, perhaps, of the Treasury and Civil Service Committee, who drew attention to the significance attributed in the Red Book to the exchange rate and to short-term interest rates. I do not believe that those have been brought in as additional primary factors in the act. The part they play is wholly reconcilable with the monetarist interpretation of inflation as the result of inflationary financing of a Government deficit.

The short-term rate of interest is clearly relevant to the Government's ability to finance their borrowing requirement, by borrowing from the public. Clearly, if the Government are anxious to avoid failing to do that, they will jack up the interest rate that they offer to the non-banking public to elicit savings from them and, consequently, to avoid inflationary funding of their deficit. So I can relate the references to the short-term interest rate firmly and definitely to the Government's underlying thesis.

It is in the same context that I believe that we must also understand the Government's movements — I have looked for as neutral a word as possible—in relation to the exchange rate in recent months. When the exchange rate of one's own currency falls, the interest rates available in other countries are correspondingly increased: the effect of a fall in the exchange rate is the same as the effect of a fall in short-term domestic interest rates from the point of view of the Government's funding of their requirements. Therefore, it was a necessary concomitant of the fall in the rate of sterling against the dollar that the Government should shore up their borrowing capability by endeavouring to erect barriers—some in the nature of domestic interest rates, others in the nature of ploys with the exchange rate—against the pull of American interest rates as enhanced by the effect of the exchange rate.

I felt that the right hon. Member for Worthing fell in his warnings of the future into the converse fallacy of failing to note that, should the dollar plummet, we should not be worried so much by the interest rates offered in the United States, because the exchange rate would offset whatever the United States attempted to do with its domestic interest rates.

On the whole, therefore, I am confirmed in the thesis, which, admittedly, it is natural and perhaps convenient for me to adopt, that the Government are still monetarist, as their opponents as well as their friends would say, and that they believe they reduced the excessively high inflation rates which we have experienced until recently by abstaining from inflationary funding of a Government borrowing requirement which they have also attempted to curb.

My difficulty on that assumption comes down to this: since the Government can manipulate the inflation rate by eschewing inflationary funding of Government debt, why do they not do the job thoroughly? Why do they not eschew it altogether, as Hamlet might have said, rather than eschew it to a nicely calculated extent which will assure us of a rate of inflation of 5 per cent. during the current financial year and 4·5 per cent. during the coming year?

My difficulty has been increased by what study I have been able to make of the funding operations of the Government in preceding years. I hope that Treasury Ministers will not think me unreasonably critical if I say that Government funding operations are not always displayed with the greatest promptitude and clarity to the study of the public. Indeed, it is difficult to find out what the Government regard as the leading indicators of the success or failure of the funding of their borrowing requirement.

For the purpose of my speech, I have therefore been obliged to make assumptions of my own and exposed myself to criticism by informing Treasury Ministers in advance what those assumptions would be. In fact, I will take the total of borrowing from the banks and of the rise in the note and currency issue as representing the inflationary element of the funding of the Government's requirements in a particular financial year. Hon. Members will realise how crude that attempt is, but it is, I hope, sufficient for the purpose of expounding to the House and the Government my difficulty in understanding what the Government have been doing over the past three or four years.

I have worked out on that basis as best I can the funding for the past five calendar years. Inflationary funding—from the banks or by an increase in the issue—totalled £3,117 million in 1980, £847 million in 1981, minus £1,811 million in 1982, minus £1,359 million in 1983, and plus £1,265 million in 1984.

If there is any meaning in that pattern—I shall be told before the night is out whether there is or not—it corresponds quite closely with what a monetarist would have expected. He would have concluded that the Government's success in cutting out inflationary funding after 1980-81 had been rewarded in due course in 1982-84 by the fall in the rate of inflation which we have acclaimed. However, he would note that the process seems set to be reversed by the behaviour of the funding mechanism in 1984.

Those figures, or figures like them, must be those which the Government hold themselves capable of controlling, one way or another, if they are serious and honest in their claim that what has happened to the rate of inflation is a result of their policy and stands to their credit.

What I fear is that the Government are deliberately trying to have a certain amount of inflation—not too little and not too much—because they think that they can thereby play things along more easily in the next two or three years. What I fear is that the Government have deliberately reverted in 1984-85 to the admission of an element of inflationary financing in the funding of their requirements and that that decision is reflected in the more or less level figures of projected inflation that we have seen for the previous financial year, the present financial year and the next financial year.

I hope that my puzzlement will be resolved when the debate is wound up. Then perhaps I shall be put out of my agony of wondering why the Government, who are capable of reducing inflation to zero and who were set on

[Mr. J. Enoch Powell]

the course of doing so between 1980 and 1983, deliberately turned aside from that course in the recent past.

If they did turn aside from it, they are mistaken. I do not believe that by maintaining inflation—still less by renewing and increasing it—the Government will do anything to contribute to the solution of any of our ecomomic problems. It would not be relevant to our trade, to the productivity of our economy, or to the level of unemployment. Instability of the value of money is an absolute evil; it is a fraud practised by Government on the people, from which no good result can flow in any branch of the economy. That is why I hope that I may have been mistaken in my assumptions and will be told so—to my advantage, and perhaps to that of the rest of the House —by the end of the debate.

5.15 pm

Mr. Richard Ryder (Mid-Norfolk): It is a pleasure to follow the right hon. Member for South Down (Mr. Powell). I am sure that my hon. Friend the Financial Secretary to the Treasury will answer his questions at the end of the debate, but I point out that if public expenditure in the United Kingdom as a whole were as high as it is in Northern Ireland, our inflation rate would not be as low as it is today.

On Budget day, many of my hon. Friends were pondering who would speak for the so-called alliance. Would it be the leader of the Social Democratic party, or would it be the leader of the Liberal party? Many of my hon. Friends were disappointed because it was neither of them. My hon. Friends should not have been surprised that the leaders of the Liberal and Social Democratic parties did not stay in the Chamber for the debate. They scurried out to be questioned by their friends in television and the media, who they knew would give them some easy questions. They did not stay here to be cross-examined about what policies they would have put forward if they had been in government.

The SDP and the Liberals left it to none other than the hon. Member for Rochdale (Mr. Smith), who is renowned for his keen grasp of economic matters and his support for the economic policy of the alliance, to spell out what the alliance would have done if it had been in government.

The hon. Member for Rochdale is guaranteed to provide a little light amusement when he speaks, and he certainly lived up to all expectations on Budget day. He said:

"I must tell the Government, as an employer, that I do not want wages councils to be abolished, because they protect my business from unfair competition." — [*Official Report*, 19 March 1985; Vol. 75, c. 817.]

Does the hon. Member for Rochdale wish to fix all commercial costs by statute to produce fair competition? If so, he is living in the wrong country.

However, let it be said in defence of the hon. Member for Rochdale that his understanding of economics surpasses that of the leader of the Liberal party. On 17 March the right hon. Gentleman wrote an article in the *Sunday Times*, in which he called for £4 billion of expansion which, he claimed, would mean a public sector borrowing requirement of £8·9 billion. How on earth, by what calculation, did the right hon. Gentleman reach that figure of £8·9 billion?

Did he think that after the coal strike the Chancellor, on Budget day, would announce a figure of £4·9 billion for the public sector borrowing requirement? The leader of the Liberal party owes the House an explanation for that bewildering assertion. He also owes the House an explanation of the so-called alliance policy on capital spending.

On 25 July 1984 the leader of the Liberal party introduced in the House a debate on infrastructure programmes. During the debate he demanded extra capital spending on regional policy, the development of derelict land, environmental upgrading, roads, a national water grid, the sewerage system, bridges and the housing stock, at a cost estimated at £3 billion by the Liberal party's Treasury affairs panel at last year's Liberal party assembly.

After all that, it came as somewhat of a shock to hear the leader of the Social Democratic party say in the House on 15 January this year:

"we may have to reduce the amount of money that we put into capital spending" — [*Official Report*, 15 January 1984, Vol. 71, c. 223.]

Such fundamental contradictions of policy in the so-called alliance, are not so much tough and tender as disgraceful and dishonest.

The leader of the Liberal party should also reveal to the House how he would operate his incomes policy, if he is ever given the chance to do so.

I should like to remind the right hon. Gentleman of what he said at the Liberal party assembly in 1977, the year that he began cuddling up to his natural allies in the Labour party, and was publicly derided by the leader of the Social Democratic party for the terms on which he did so. The right hon. Gentleman said:

"What sustains me . . . is our concern for a self-governing society in which participation is more widespread than bureaucratic control".

Again, it came as somewhat as a shock for me to learn that the hon. Member for Colne Valley (Mr. Wainwright), the Liberal party spokesman on economic matters, told the Liberal party assembly last year:

"The Government must no longer dodge its duty to manage the centre of the economy."

Yet his leader at a previous Liberal party assembly had said that he wished to eliminate bureaucratic control. Judging from the Liberal party's plans for an incomes policy, it wants bureaucratic control. Its incomes policy, based on local settlements, would be different for every plant, division and company in every village, town, county and region.

In the unlikely event of that system being comprehensible, let alone workable, matters would all be resolved by a magic wand—in the form of a brand new national council run by our dear old friends at NEDO. The incomes policy which the Liberal party has put forward is so incomprehensible that I do not believe it could work under any circumstances. Perhaps there are secrets which have yet to be revealed, and the Liberal party spokesman may be able to unravel some of the complexities if he catches your eye, Mr. Deputy Speaker.

How on earth will the incomes policy of the Liberal party or the so-called alliance work in the real world? I should like to hear from the Liberal party spokesman and from the leader of the Liberal party, who does not often speak during economic debates. The right hon. Gentleman loves his television appearances and exposure——

Mr. Forman: So do I.

Mr. Ryder: My hon. Friend never fails to astonish us with his great ability in that medium. I regret that he does not appear often enough.

The leader of the Social Democratic party has said:

"I see certain anarchical tendencies in the Liberal Party which makes it difficult for them to stand firm on key policy issues."

Those words, spoken by the leader of the Social Democratic partner of the so-called alliance, mean that he does not trust the Liberal party when it comes to economic matters, which is small wonder.

Some of the examples that I have given about the complexities and inconsistencies of the alliance's policy mean that it owes the House an explanation of what it would have done if it had been able to present a Budget to the House. I hope that the Liberal party spokesman will provide the House with answers if he catches your eye later, Mr. Deputy Speaker.

5.25 pm

Mr. A. E. P. Duffy (Sheffield, Attercliffe): As the speech of the hon. Member for Mid-Norfolk (Mr. Ryder) was plainly directed to the alliance parties, he will not expect me to follow him.

The Chancellor presented his last two Budgets as "Budgets for jobs". However, there is growing questioning within the OECD about economic policies, in particular the recovery of employment. Hence the attention being paid to the Bonn economic summit due to begin on Thursday.

The Chief Secretary made only two references to job creation when he opened the debate. The Chancellor's jobs promise shows no sign of fulfilment in Sheffield, where unemployment hovers at about the record mark and long-term jobless totals grow. Approximately 44,000 people in the Sheffield area had no work last month. That figure would be nearer 60,000 if those people whom the Government have removed from the register were included. In January, 45 per cent. of the city's unemployed had been jobless for over a year. Since the Chancellor presented his Budget, British Steel has announced the closure of the Tinsley Park works in my constituency with the loss of a further 1,100 jobs.

There is no prospect that this year's Finance Bill will begin to provide alternative employment. It is a recipe for growing low-pay poverty, lengthening dole queues and a deepening divide between the well-off in the south and the unemployment-ravaged north. Even the persistent emphasis, modest though it is, on supply side economics is increasingly regarded as misconceived by some hon. Members on both sides of the House and by some people outside the House.

In a sermon to mark "unemployment Sunday" earlier this year, the Bishop of Sheffield said:

"Nonsense, I say, is our steady and determined attempt in every walk of life to cut down the numbers of people at work, in the cause of efficiency, lower prices and greater profits."

His condemnation of that social evil is not new, but he is right to point out once again that technological developments that increase productivity without regard for the people who lose their jobs is wrong.

There is evidence across the political spectrum that since the Budget more people want to see a more visible commitment from the Chancellor to the creation of real jobs. They are now more sceptical of his plea that only low wages and lower taxes will generate growth. They also wish to see higher public borrowing, higher spending on the infrastructure, lower taxes on jobs and a much more vigorous approach to the hard core problem of the long-term unemployed.

Sheffield city council's attempts to create and defend city jobs through the creative use of its purchasing power and spending has not met with Government encouragement. Government grant cuts and the rate-capping threat have resulted in Sheffield losing £240 million over the last four years. Since 1980, central Government's contribution to spending in Sheffield has dropped from 46 per cent. to 20 per cent.

Urban programme aid to Sheffield is to be held at its present level of £4·01 million in 1985-86—a decrease in real terms of 5 per cent. In four years the city has slipped from third to 14th place in the table of authorities which receive most Government aid, yet a leading business man in a report last month warned that cuts in Government aid to depressed inner city areas were a grave mistake.

The Association of British Chambers of Commerce in its report, to which the Sheffield chamber subscribes, roundly criticises plans to slash the aid budget by £138 million over the next three years. The report says this is happening

"just when the cumulative effect of nearly seven years of urban assistance is having a considerable influence on the physical appearance of the inner cities and on the attitude of those who live there."

Fear of unemployment has led to depressed wages. Low-pay poverty is on the increase. It is creating crisis and division in the north, according to a study by the Low Pay Unit published last month. The "two nations" divide will worsen with the Chancellor's abolition of the wages councils—the only protection left for low-paid workers who have no trade unions to look after them.

The Chancellor has even left the man on the dole worse off if he smokes and enjoys a pint. When the Financial Secretary taunted my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) and invited him to state whether workers paying tax were better off than they were in 1979, he neglected to ask a similar question about the unemployed.

Mr. Moore: I was referring to people in work who pay tax, which was the subject of the question asked by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley).

Mr. Duffy: I am sorry that my right hon. Friend the Member for Sparkbrook did not whip back with a question about the unemployed because the Financial Secretary would have been obliged to accept that they are about 18 per cent. worse off than they were in 1979.

The duty on beer has increased by about 7·5 per cent. this year compared with the notional increase in inflation of about 5 per cent. or less. Whitbread Yorkshire, which has important facilities in my constituency, tells me that excessive increases have been imposed upon 30 million bitter drinkers every year since 1979. It has experienced the longest run of heavy beer tax increases on record.

Not only have the breweries suffered, but working men's clubs — an increasing number of which are closing in Sheffield — have been affected. One went under in the last three weeks. It was a great blow to me. The hon. Member for Lancaster (Mrs. Kellett-Bowman) has referred to the eagerness with which VAT representatives do their job. The people who most embarrassed my friends in the working men's club to which I referred were the VAT men.

[Mr. Duffy]

Cheap labour is the main theme running through the claimed job creation schemes in the Finance Bill, which overlaps training proposals for an extended youth training scheme and more community programme places. Those proposals do nothing to create jobs or to offer the quality and training in new technology and other skills that will be needed by the industries of the future.

The continuing decline of manufacturing industry has become a national nightmare. One has only to consider my devastated constituency in the east of Sheffield to appreciate the problem. In the first nine months of 1984 Britain had a negative trade balance of £3 billion in maufactured goods. Of the 2·5 million British workers still engaged in manufacturing, only 2 per cent. have any management qualifications and fewer than 5 per cent. undertook to continue their training in any one year. As a result our skills base is stultified. By modern standards and requirements manufacturing is undermanaged and obviously lacking in incentive. Skill training, management training and professional training are solely needed.

There is not much point in offering training if it leads back to the dole queue. A recent Manpower Services Commission assessment of the YTS shows that four in 10 young people nationwide go straight back on to the dole queue. That overall figure masks the regional variations. The failure of the scheme is only too evident in the youth employment figures for Sheffield, where over 16,000 young people under 25 are unemployed. About 23 per cent. of those aged between 19 and 24 have been unemployed for over two years.

Mr. Roger Freeman (Kettering): I apologise for not being in the Chamber for the opening remarks by the hon. Member for Sheffield, Attercliffe (Mr. Duffy) but I share his concern about the number of youngsters who cannot find a job after taking part in the youth taining scheme. However, we must compare what is happening today with what would have happened without a youth training scheme.

Mr. Duffy: I accept that. I do not suggest that the scheme should be abolished, but that it should be developed. My anxiety is that the YTS does not provide training in the modern and much required skills that can lead on to jobs.

The right hon. Member for Worthing (Mr. Higgins) referred to the Bonn summit and to the economies of the western world. What should be Britain's attitude to the summit? For some months we have seen signs of an emerging consensus in Europe. As America slows and cuts its excessive budget deficit, so Europe should accelerate by loosening its over-tight fiscal policies.

The British economy has plenty of spare capacity. Extra demand would affect output rather than prices. The Government's fiscal stance is not neutral but extremely deflationary. The national debt is lower in relation to national income than at almost any time since the war. An expanded budget deficit would not cause financial instability.

America expanded, as Paul Volcker, chairman of the Federal Reserve Board reminded us. I had hoped that the Chief Secretary would quote Paul Volcker. Over the past two years American expansion and the impact of increased imports on other countries have been responsible for 70 per cent. of growth against only 40 per cent. of OECD output. That era has ended.

An unmistakable slowdown was reported in the United States in the first quarter. It is time for the Chanellor, in his own words, to "pick up the baton."

5.38 pm

Mr. David Howell (Guildford): Like others, I shall leave wiser folk to answer the conundrums and deep questions which so perplexed the right hon. Member for South Down (Mr. Powell). However, there might be something of an answer to his perplexities in the fact that inflation is at least partly influenced by global developments, whereas, by definition, the Government's policies are confined to the national scene. Between those two facts the discrepancies that so bewilder him may arise. But I am sure that others are better equipped than I to answer his detailed questions.

There was no need for my right hon. and learned Friend the Chief Secretary to apologise for the fact that the Bill is dull. It seems to be a cautious and prudent affair, but if the alternative is the sort of exciting Finance Bill that we had in the 1970s under a Labour Government, when we spent night after night trying to moderate what later had to be disentangled with colossal and devasting effects for jobs and enterprise, I would rather have fewer exciting Budgets and more dull ones.

Even since the Budget statement—this is a warning about the dangers of trying to pin too many hopes on a Budget plan or Finance Bill — the underlying factors affecting the financial and economic situation of this and many other nations have changed substantially. I have one obvious point to make to which my right hon. Friend the Member for Worthing (Mr. Higgins) referred in his illuminating speech. The exchange rate has gyrated wildly. I recall that estimates for working out oil revenue in dollars, to be translated into pounds for the coming year, were to be based on a figure of $1·10 to the pound. But that figure has been swept away. The exchange rate has risen to $1·28 and we are now back, I believe, to below $1·20, or thereabouts. It is impossible even to pretend to be able to follow the daily violent movements in our exchange rate against the dollar, the deutschmark or any other currency. There have been huge changes since some of the hopeful prognostications at the time of the Budget.

A chill wind has blown out of Washington and New York and there has been the faint suggestion—which may be belied by events—that the United States' rate of growth will be considerably less than forecast. That has been accompanied by one or two little clouds, which I hope will grow no bigger than a man's hand, on the horizon of the United States' financial and banking system. That chill wind, too, has had its effect.

In addition, although our uniquely high interest rates have fallen a little, they still remain very high as a result of various influences, the source of which I find as obscure as the right hon. Member for South Down and my right hon. Friend the Member for Worthing did. I am not at all sure whether our interest rates are being unwound slowly from their high levels simply because it looks bad if they fall too quickly, or whether it is due to some properties of the monetary situation and, if so, which properties. I certainly do not think that it is excessive corporate lending, as has been suggested. Alternatively, it could be to do with

a not-too-benign neglect of exchange rates. Whatever the policy, interest rates remain, in real terms, almost uniquely high.

Another development since the Budget is highly relevant to our condition. I refer to the fact that oil prices have continued, after momentarily firming, on their inevitable, ever-softening course. I say "inevitable" because as long as the international oil industry, aided and abetted by the middle eastern oil producers in OPEC—but, thank goodness, no longer, I hope, by this Government—attempts to maintain a ridiculous artificial price, it will promote the very opposite of its objective, and there will be greater instability and a further softening of the price.

All those things have occurred, since the Budget, and they demonstrate something that is obvious to us all—that our Budget and our attempts to impose our national economic policy are very much the creatures of international economic forces. It is no news to any of us that those forces are now in severe disarray. As has been observed, our deliberations, tax policy and Finance Bill are only a short step away from the Bonn summit. There are three great crisis points in the international economy, apart apart from the problem of unemployment and under-occupation which is spread across the advanced industrial countries and which represents a major problem for social conditions and for supply-side issues.

The first great crisis point is the ridiculously large United States' current budget deficit. The second is the huge and growing surplus on Japan's trade with the rest of the world, and the third is the enormous volatility, chaos and weakness within the European currency market, which have led to the oscillations that I have described and to the pound moving, for example, 12 per cent. against the deutschmark in a matter of weeks. That chaos and volatility make it impossible to hedge one's currency—however much one may obtain advice from a financial consultant — or to invest appropriately in forward exchange markets. In practice, it is virtually impossible for the medium-sized exporter to work out his margins, to conduct his trade confidently or to invest in the hope of producing a product for which he has some idea of the profit margin.

Those are the three crisis points, and I hope that the Bonn summit will lead to a determination to tackle them. That is, of course, a very high hope. We know what happens with such summits. The communiqué has no doubt already been drafted and officials will have been working hard on it. One or two small adjustments will be made during long meetings at the time of the summit. But I fear that there will be a string of generalities and agreements, pointing out that such factors are very worrying. Nevertheless, I retain the idealistic hope that a little more than that might be possible.

We must move towards more co-ordinated action. It need not necessarily be at the Finance Minister level. I think that Finance Ministers may be right to recognise that there is no institutional jiggery pokery or machinery that they can operate at their level as long as the underlying forces remain out of control, leading to currency volatility. Thus, I am not suggesting the sort of co-ordinated action that might lead to a new Bretton Woods or to anything like that, but rather that the top political leaders of the West and of Japan should make a much more forceful and co-ordinated declaration of their intention to tackle the various problems falling directly within their scope.

That means that the Americans must set about their enormous budget deficit with more seriousness and drive than in the past. The President of the United States has now been pleading with his supporters to take the matter seriously. That pleading comes very late in the day, as we have watched the deficit grow with its consequent destabilising—but so far not too negative—effect on world activity and trade. The time has now come when that cannot be allowed to continue.

Secondly, there has been no shortage of words and good intentions about the Japanese surplus. We must have had one or two dozen promises or firm undertakings from the Japanese to the effect that, although they rightly do not intend to curb their efficiency in exporting goods that the world wants, they will open up their own markets. But, of course, nothing much has happened. I do not think that anything much will happen if we merely preach to or tell the Japanese to buy inferior electric toasters that they do not want. But something might happen if the Japanese were made to realise that it is now 40 years since the second world war and that although no one wants to encourage the rise of the awful monsters of militarism and Fascism, it is only reasonable that a nation that produces one tenth of the output of the human race and that is the second richest country on earth should play a reasonable part in defence of the values of the free world that have enabled it to prosper.

The present Japanese defence posture and contribution to defence are grossly inadequate and that, in turn, leads to the conditions in which the Japanese can divert resources into their huge domination of world consumer markets. At first, it was videos, typewriters and cars and now it will be semiconductors, earth-moving machinery and possibly small computers. Meanwhile, others, notably the United Kingdom and the United States, have to divert their resources into necessary but substantial defence obligations. I hope that the Bonn summit is not allowed to pass without some slightly less ambiguous and firmer intentions being expressed by our Japanese friends.

Thirdly, there is currency volatility in Europe, but could anything more be done if we were able to act as a rather more concerted bloc? A more controversial issue is whether we might gain more than we would lose by joining the exchange rate mechanism of the European monetary system. It is true, as my right hon. Friend the Prime Minister has said, that there is no escape from the transatlantic volatility that all currencies have experienced. However, there has also been enormous currency volatility within neighbouring European countries and this has been evident especially in the movement of the pound against the deutschmark.

I share the view of those who say that if we were in the exchange rate mechanism we would be in a slightly more robust ship, if not necessarily in a calm sea. If we are talking about short-term measures—and I agree with my right hon. Friend the Member for Worthing that time is short—there should emerge from the Bonn summit a firm sign that we are making preparations to join fully the European monetary system. If we were able to get just that from a Bonn summit it would help to create a background for steadier currencies. It would halt the slide in confidence and lead towards lower real interest rates, which would create conditions for more prosperity and expansion again. After a cautious and prudent Budget this year we should be able to look forward to a more expansionary Budget next year.

[Mr. David Howell]

In fact, I think that it would have been possible this year to take what are called risks—I do not believe that they are—with that "tiny" figure which is called the public sector borrowing requirement, which is the difference between two flows either side of £200 billion. I believe that it would have been possible — the Institute of Directors agrees with this—to add another £1 billion to the PSBR without any inflation risk. That might have provided room for a few more expansionary moves this year. In my book that would have meant tax cuts rather than increased public spending.

But now that that chance has come, perhaps it is possible to look forward from the Bill to next year when opportunities might arise. That might seem to be a risk, but that is probably when the next opportunities will arise. What sort of expansion do we then want to see? I have no doubt in putting my money on the tax-cutting horse and in arguing for increased incentives and wider ownership. Imagine the opportunities that would lead from beginning seriously to wind down the level of taxation that is taken by the Government. We could start to wind it down towards the levels that operate in Japan and the United States, although those countries are not without their difficulties.

We read in the newspapers that the Treasury is at its wits' end in its search for new sources of revenue. It is extremely worried about what might happen with existing sources should social security reform move one way politically rather than another. I do not understand why it is at its wits' end because I believe that there is more room than it thinks. First, I take that view for the reasons that I have advanced for adding to the PSBR.

I recognise the importance of the strategy of reduced borrowing as a term of art not as a scientific matter. The idea that we should drive down the PSBR to a precise figure when it is so hopelessly imprecise is an unwise basis on which to rest our policy. Secondly, tax cuts, when costed in terms of what the Americans call static revenue analysis, lead to some disappointing, gloomy and usually inaccurate conclusions. If we deliberately ignore the fact that certain tax cuts produce more revenue by enlarging the revenue base, we shall find ourselves severely constrained.

The Institute of Directors has argued vigorously and rightly that we should consider more seriously the beneficial second-round effects rather than the direct revenue effects, which are costed with accountants' precision, and often accountants' inaccuracy, in the Red Book. If we were to do that, we would find room for some bolder tax cuts than anything that has been attempted this year.

I hope for boldness next year. If we abandoned static revenue analysis the net effect would be enlarged rather than decreased revenues and the borrowing requirement, in so far at that is "vital", would be benefited and not weakened. Other factors reinforcing a prudent control of the supply of money would be strengthened as well. However, I do not believe that I can sell that policy to the Government. I think that it is something that they will come to in due course, but they are not ready for it yet.

So in the meantime we must accept that static revenue analysis will prevail along with the unscientific rigidity of PSBR calculations. This is the reason why the Government will find themselves with little room for manouevre. This will be the more so as we are apparently fenced off from any prospect of changing the pattern of reliefs as they affect mortgages. We have heard that clearly from the Prime Minister and we heard it today from the shadow Chancellor of the Exchequer. It seems that the two Front Benches and the party leaders have ruled that out. If anyone thought that that was an area that he could raid for more money for tax cuts, he would be disappointed. There is the same unpromising prospect for the revenue hunter who is looking for relief on the pension side. Probably that is right and there, too, matters should be left as they are.

What can we do within these severe limits? Perhaps we could consider this year the ideas that have been developed and laid before the American Congress in the Kemp-Kasten Act for lowering top marginal rates. Before an Opposition Member says that that is a terrible thing to do, let us bear in mind that it is a policy which produces the same revenue by means of a flat rate tax throughout. Top marginal rates provide a fiesta for lawyers and accountants. They create unfairness and disincentives and they are costly in social terms and in reducing employment opportunities. The Government believe that we have no room for manouvre, but I believe that we have and that we should make a start towards securing a flat rate tax or some such reform.

Beyond that, of course, I should like to see room found in due course for tax cuts for those on lower incomes. I cannot understand the Labour party's position, for it appears to be miserably hostile to the high taxes that fall on those on low incomes and to the crises in family life that high taxation creates. I should like to hear a more compassionate and understanding attitude expressed by the Labour party and a readiness to consider real needs rather than narrow party interest.

In the meantime, my priority would be to advance on every front to introduce reforms which would encourage personal ownership. I make a tentative plea to the Government—I shall return to it more strongly when I think that the climate is right and the time more propitious —that they consider properly the idea that is called the loi Monory. That means a huge extension of personal ownership by enabling income for tax purposes to be deducted—up to 15 per cent. of total income—for all purchases of new equity capital in quoted and unquoted companies. The French implemented that policy and it had a great and beneficial effect on many working people and working families. It helped spread ownership in France as we must spread it in Britain. We had a great success here with the privatisation of British Telecom and it should be followed up. I hate to see the momentum easing and being lost. I know that my hon. Friend the Financial Secretary is second to none in his drive and enthusiasm in these matters. I hope that he will push for the development of thinking over the next few months which might lead to something like the loi Monory.

I return to the international scene. Most of what I have said will come to dust if things go sour in an international financial context, and there is a considerable danger of that happening. Of course there are dangers in the alternative policy of returning to the tight harness of Bretton Woods fixed exchange rates. However, bearing in mind the three crises that I have described, it is time for the leaders of the West to show a co-ordinated determination to tackle these problems before they drag us all down.

5.59 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I always listen with great interest to the speeches of the right hon. Member for Guildford (Mr. Howell), and I did so again this afternoon. He must not be too complacent. We must try to strengthen his arm to dissuade his hon. Friends from some of the rigidities and obsessions of the Treasury Front Bench, particularly about the PSBR.

The hon. Member for Mid-Norfolk (Mr. Ryder), rather unwisely, attacked my hon. Friend the Member for Rochdale (Mr. Smith). My only regret is that it is I who have to sit on him this afternoon, and not my hon. Friend, because he would find the latter experience more painful. The hon. Gentleman was a little unfair about my hon. Friend, who made a valid contribution. My hon. Friend's remarks were derived from his personal experience, and the hon. Gentleman was unfair to castigate my hon. Friend as he did.

The hon. Gentleman was also a little unfair to criticise our proposals. I do not know whether he has a copy of them. The hon. Gentleman nods his assent. He will be the wiser for that. He will have to agree that the costings of all the proposals were laid out, and we have to face the fact that they would mean an increase in the PSBR. The net cost to the PSBR would be about £1·9 billion. All these figures have been number-crunched through the various computers which economists use. Our proposals are costed and feasible, but they are feasible only if we have a system of restraining prices and incomes. We face that fact, but other parties do not.

The hon. Member for Mid-Norfolk legitimately asked us how we would restrain prices and incomes. That would depend on the circumstances in which such a policy would have to be implemented, but the machinery for implementing freezes, if freezes are necessary, would have to be resorted to. Other proposals for fiscal measures which could be taken would make it clear to both sides of industry and the electorate at large that we are serious about setting a climate in which the country would not pay itself more than it could afford. We should not have to resort to this Government's pay policy, which necessitates ludicrously and unacceptably high levels of unemployment on the one hand and the inflexible and grinding imposition of low pay settlements in the public sector on the other. That is not fair, and there is a different way to do these things.

Mr. Ryder: I am grateful to the hon. Gentleman for the characteristic courtesy that he has shown in dealing with the points that I raised. Did I hear him say that costing for the extra public expenditure proposed by the Liberal party was £1·9 billion net? Is he aware that in the *Sunday Times* article the leader of the Liberal party suggested that the PSBR would be only £8·9 billion if the Liberal policies were pursued? How was that figure reached?

Mr. Kirkwood: I do not wish to detain the House, but I can go through the list which I have here.

Mr. Peter Hordern (Horsham): Do not bother.

Mr. Kirkwood: I have been told not to bother, so perhaps I should have this discussion with the hon. Member for Mid-Norfolk later. I am conscious that other hon. Members wish to make their speeches, so I shall not answer him at length. We could face the fact of an increased PSBR and increased public expenditure on capital projects. Our scheme holds water, and it stands up under any scrutiny.

Some of the speeches that we have heard today, particularly that of the right hon. Member for Worthing (Mr. Higgins), have suggested that the time has come for the Government of the day, of whichever party, to look carefully at the framework for introducing Budget statements. It is now old-fashioned, out of date and in sad need of reform. There was much heartache about proposals which it was suggested might be in the Budget, but which were not implemented, such as pension changes and changes in the VAT rules. This year the Budget has taken on board many items of a non-fiscal, non-monetary nature, such as employment and training, and wages councils.

What is more, the uprating of benefits is now done outside the Budget, in June, while many detailed taxation measures are contained in the Bill. There is thus an incontrovertible argument, one which has already been made by the Select Committee on the Treasury and Civil Service in its report in 1981-82, for changing the procedures that are used before the Budget. We should get the Treasury to come out of its hole much earlier in the year than it does and set a framework within which we can discuss these measures. Proposals can be discussed, so that the Treasury will not lose as many of the arguments as it has this year. It is an unsatisfactory way in which to proceed, and the time has come to review the system.

This is not a Budget for jobs, but it is a lost opportunity. The Finance Bill 1985 will be seen in retrospect as a lost opportunity to reduce the terrible waste in economic resources. If we took employment back to the 1979 level we would be producing £20 billion more in output a year. Large-scale unemployment creates deep personal misery and threatens social and political stability. The Budget is a lost opportunity to get back to the 6 per cent. unemployment levels that we had only five years ago, from the present 13 per cent. plus level. It is a lost opportunity to learn lessons from the experience of the United States, where unemployment has fallen from 11 per cent. two years ago to about the 7 per cent. mark now.

The causes of unemployment are clear. The thing that distresses me more than anything else is that the debate has now been so hi-jacked by the Government that people believe that the financial, fiscal and monetary problems are inevitable. These fears are misplaced, and we should use every opportunity to say so.

The rise in unemployment can be directly attributed to the low level of demand, which has been caused by tight fiscal policy, high tax rates and constraints on public expenditure. The world recession has had an effect, but that is in part due to tight fiscal policies in many countries. It can also be attributed to the high exchange rates that we have had until recently, especially relative to the European currencies. That has made much of our industry uncompetitive and makes it impossible for industry to make sensible plans for the future.

The Bill enshrines Government policy, which is extremely deflationary. We must make it clear that less deflation is not the same as irresponsible reflation. That is an important point which we would all do well to remember. I welcome the comments made by the right hon. Member for Old Bexley and Sidcup (Mr. Heath). I notice too the evidence given to a Select Committee of the other place by the managing director of GEC, Lord

[Mr. Kirkwood]

Weinstock and the chairman of ICI, Mr. Harvey-Jones. They both took the view that the Government's policies have been inimical to manufacturing industry.

I welcome the setting up of the Employment Institute, with its charter for jobs. It recognises, although it does not spell this out in the detailed way that we do, the need for a prices and incomes policy as a fallback guarantee for future planned expansion. The Government's pay policy does not bear examination.

The tax threshold changes proposed in the Bill are not the best way of getting help to those who most need it, as the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) said. I am impressed by the estimate of the Institute of Fiscal Studies that the higher thresholds in the single and married man's allowances will take out of tax only 10,000 families faced with the poverty trap at effective marginal rates of 75 per cent. or more. That is not a sensible way to proceed. There are better ways of doing so, such as through family income supplement and the methods that we suggested in our proposals.

I am also concerned about the changes in the upper earnings limit for employers' contributions, because, as the TUC said in its evidence to the Treasury and Civil Service Select Committee, that could easily be counter-productive, as employers could offload low-paid workers at the bottom end of the wages scale to cope with increased costs in what is effectively now a payroll tax.

If the Government are intent on going back on the wages councils agreement which has existed in the recent past, they must look at each council in each sector very carefully. I notice that in its evidence to the Treasury and Civil Service Select Committee the CBI advocated that as well. Wages councils have made a valuable contribution in many sectors, although some are more effective than others. I hope that the Government will not swing their axe insensitively and do away with the lot, as that would be a retrograde step.

As to personal taxation, each time I rise to my feet in this House I exhort the Government to consider all possible ways of integrating the benefits and taxation systems. I hope that the Green Paper heralded in the Budget statement will not be pre-empted by any tax proposals in the forthcoming DHSS reviews. I am told that computerisation has now reached the stage at which we would be able to integrate tax allowances and benefits and that that could appear in next year's Finance Bill. The Government should very much apply their mind to that.

The Liberal party did its best to expand employee share schemes last year. I was interested to hear the right hon. Member for Guildford refer to the loi Monory, because that has great potential. The French have used it to great effect, and in its French form it could be introduced almost wholesale to this country, to great advantage.

Last year the Government made a great mistake on capital allowances, especially in relation to their effect on merchant shipping and the way in which they affect partnership farming in Scotland. Many of these partnerships, which have a well-established system of tenant farming, are run skilfully and efficiently, but are still unable to obtain the benefits of the corporation tax which accompanied the changes in capital allowances. That is severely prejudicial to them, and an opportunity should be taken to look at this again.

As for the fishing industry, my experience is that the capital allowances changes have made it extremely difficult for share fishermen to change their boats and to bring new people into the industry.

The package of changes in Customs and Excise and vehicle excise duties has hit the rural areas particularly hard. It is extremely unfair for the Government continuously to increase vehicle excise duty, which has been increased by more than required to keep it within the bounds of indexation. It is also unfair that derv is taxed. The use of this fuel should be encouraged, and to tax it merely increases distribution and travel costs in the rural areas. The financial position of small business men in rural areas, especially in Scotland, because of the revaluation impact north of the border, is now extremely difficult.

When he replies to the debate, I hope that the Financial Secretary will say something about VAT enforcement proposals. I am concerned that the Bill incorporates extra enforcement powers, although I fully appreciate the need to move in that direction. However, so far as I can recollect, the Keith committee suggested some important safeguards which I believe will not come in until next year.

Mr. Moore: That is not right, and, more importantly, the Government have added to the safeguards in the measure which we shall discuss in Committee. If the hon. Gentleman is with us again, we shall be able to go into that in more detail.

Mr. Kirkwood: I cannot say how much I look forward to going back into Committee to engage in long sessions with the Financial Secretary, who deals with these matters in a competent, efficient and courteous manner. I am grateful to him for his intervention.

The charter for jobs, produced by the new Employment Institute, states:

> "The Government claims its policy would reduce unemployment. Instead it has raised it. We offer an alternative policy which responsible people can support. We ask the Government to heed our suggestions and to restore hope to the millions without work."

I say amen to that.

6.16 pm

Mr. Peter Hordern (Horsham): No one seems to have found this Budget or Finance Bill very exciting, except for the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), who said that it was an awful Budget. I agree with my right hon. Friend the Member for Guildford (Mr. Howell), who said that he preferred dull Budgets to exciting ones, but even dull Budgets can be carried to excess.

Some time within the next two weeks, President Reagan will announce the revised version of tax reform which was published by the United States Treasury last November. It would have been helpful had we had before us a tax reform proposal for broadening the tax base, as well as the forthcoming Green Paper. We could even have considered proposed public expenditure at the same time.

No one in the United States can say with any certainty what its proposals will be, but it is widely thought that the United States Treasury's proposals to exempt husband, wife and child for $2,000 each will be carried and that a three-band rate structure at 15 per cent., 25 per cent. and 35 per cent. will remain as originally published. It is already part of the American tax system that if one's income is below $10,000 the taxpayer may claim the

difference. Therefore, the Americans already have a tax credit system, whereas we have been talking about one for 13 years. The Americans propose the lowest tax band at 15 per cent., but ours appears to be stuck at 30 per cent. So far as I know, that is the highest rate of tax at the lowest level of earnings in any western country.

Everyone knows that our tax system is crying out for reform and that it is so unsatisfactory because our income tax operates on far too narrow a base. Why is it possible to bring about a major reform of taxation in the United States but not in this country? What more favourable time could there have been to achieve this than in the second year of a Parliament from a Chancellor who is said to favour tax reform? The Finance Bill is a disappointment for all of us who had high hopes of this Budget and my right hon. Friend.

The change in national insurance contributions is important, with its implications of a single unified tax system, but apart from that change the Budget and this finance Bill could have been written on the back of an envelope between lunch and tea on any afternoon—and after a rather long lunch at that.

It is true that we are to have a Green Paper on the taxation of husband and wife and personal allowances, which follows another Green Paper on the same subject some time ago, but, unlike the United States, we are not to have a Green Paper on broadening the tax base. Even worse, all the tax options appear to have been foreclosed. I do not know all the considerations that there may be in taxing pension funds but nobody has suggested—apart from the pension funds themselves—that that was the only consideration. What should have been under consideration was the broadening of the wole of the base of the taxation and a substantial reduction of direct taxation. To have that option foreclosed, and never to consider a radical reform of direct taxation—as is to be done in the United States—is rather a disappointment. It is all the more disappointing because all idea of reform has apparently been dropped because of the lobbying by the pension funds.

I do not know whether the broadening of the tax base, as is proposed in the United States, is a good idea or not. I suspect that it is, but whether it is or not, to surrender the right to publish the options is a defeat, and I do not know where the reductions in direct taxation to which we are committed are to come from. They will not come easily from savings in public expenditure unless the pattern of public expenditure itself is changed, and that seems unlikely. There is a limit to the amount by which the rate support grant may be reduced, if it has not already been reached.

The best course would be to review the whole field of public expenditure and not simply to perpetuate its structure, cutting here and trimming there. As I have said before, it might best be done by the star chamber committee of the Cabinet looking five or more years ahead.

If, as I think, the tax proposals in the Bill are somewhat disappointing, to put it at its best, at least the Chancellor of the Exchequer is a sound money man. His fiscal rectitude and his general monetary stance are, if I may say so, quite admirable.

In view of what I am about to say, I want to make it clear that I have been a monetarist since 1966, preceded in this House by the right hon. Member for South Down (Mr. Powell) and a few of my hon. Friends. As one who voted against the last Conservative Government's wildly inflationary policy—and as chairman of the finance committee at that—I was not only one of the first in this House to be a monetarist but, from the way things are going, I confidently expect to be about the last. Having said that, I do not think that the Chancellor has properly described his monetary policy and its consequences, and I do not think that he is speaking with a wholly consistent voice.

I should like to refer the House to the sale of council houses and to the £5 billion which local authorities have received, of which they are told they may spend only a fraction. The explanation that is offered is that the money received from those sales must be treated as a reduction in the total public sector debt, which in turn affects the PSBR. But what the Government do not say is that the large receipts which the local authorities have are counter-balanced by an equally large debt in the private sector.

The position is described in a very interesting article in the Bank of England's last *Quarterly Review*, which shows that the personal sector has, within the last four years, amassed the largest personal indebtedness ever seen. Last year, loans for house purchase were up by 50 per cent. in real terms from the previous record. There is no question but that this is a major change of deep significance, but it is one which was always inherent in the sale of council houses.

The change of ownership of council house assets cannot of itself cause any extra demand, and for that reason cannot be inflationary. In fact, if 750,000 people decide to borrow to buy existing assets, they are thereby freezing a substantial proportion of their disposable income in buying those assets. Other things being equal, there will be less for them to spend on other things, which is deflationary and should be counter-balanced by the local authorities spending their capital receipts on new council houses or on repairs and maintenance.

It is perverse to take the public sector in isolation in assessing monetary policy, and doubly perverse not to take into account the use to which those borrowings are being put in the private sector. I am afraid that my right hon. Friend the Secretary of State for the Environment has allowed the Treasury to pull a fast one over him. I do not doubt that the Treasury can do with all the money which is now credited to the accounts of the local authorities. Things have not turned out in other directions as the Treasury hoped, notably in regard to the cost of the coal strike.

It is praiseworthy to have a low PSBR of £7 billion representing 2 per cent. of GDP, but anybody who thinks that £7 billion is all that the Government intend to borrow is under a serious misapprehension. I do not mean that the estimates are wrong; I leave them to the forecasters. I mean that the way in which monetary policy works demands that the Government must borrow whatever sums are necessary to counter-balance what the banks lend their customers over a certain amount, for that is how the measurement M3 is controlled.

The more that business booms, and the more that individuals and companies borrow from the banks, the more the Government borrow. It is known as over-funding, and from March 1984 up to February of this year the Government borrowed £12·6 billion through sales of gilts and national savings to counter-balance in part the £17·1 billion lent by the banks in the same period. It

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follows that if the banks had not lent so much money to their customers to finance expansion, the Government would not have had to borrow so much.

The consequence is that interest rates will remain high just as long as the economy continues to expand. It has nothing whatever to do with the American deficit; it has nothing whatever to do with the exchange rate; it has everything to do with the Government's need to borrow from the non-bank public to control inflation. That should be spelt out very clearly, for it is wrong for the Chancellor to go about telling people that interest rates are coming down or that he hopes they will. They will not come down until bank lending comes down, and that will not happen until the economy itself slows down. I do not think that the Chancellor wants that.

I do not think it is right that the City should know about over-funding and its consequences upon interest rates and that the rest of business and industry should not. It is also very important that when the banks start lending less money, and if the economy starts to slow down, the local authorities should then be encouraged to spend their money, and blow the PSBR.

There are some things that could be done to increase supply, the most important of which is to repeal the Rent Acts. I believe that the Treasury has objections to that, and I dealt with them in the debate last month. Gas and electricity as well as water should be privatised. That would then allow the local authorities to spend as much of their capital receipts as they like under our present monetary conventions, apart from all the other advantages which privatisation would bring.

I do not think that the tax system is being used as it should be used to help unemployment in the regions. I should have liked to see a differential national insurance contribution or, for example, no contribution for young people in the regions.

It is not enough to say that the control of inflation is sufficient in itself as an economic policy, or even the best way to reduce unemployment in the long run. Of course I recognise what is being done in training for the young, and for the long-term unemployed, but there are all kinds of rigidities in our system which need to be removed.

I have mentioned some of the rigidities — for example, the 100,000 acres of land for development held by local authorities and other public bodies which should be sold or given away. Just as a licence to print money is no kind of economic policy, so controlling the monetary aggregates is not a sufficient policy.

The Bill is, on the whole, a disappointment in comparison with what it might have been. If the United States can contemplate a major reform of its tax system, so can we. I think that the Chancellor could and should have done better, and I hope that he will do so next year.

6.29 pm

Mr. Robert N. Wareing (Liverpool, West Derby): It could be argued that the principal feature of the Bill is that it flows from a Government economic policy which is based on the outmoded theory that the answer to unemployment is lower taxes and, principally, lower real wages. In his Budget statement the Chancellor of the Exchequer said:

"We cannot even prevent trade unions from pricing their members out of a job."—[*Official Report*, 19 March 1985; Vol. 75, c. 791.]

He argued vehemently, as he has done on many occasions, that workers have a responsibility to price themselves into work. He has used the argument that reduced consumer demand, which came about as a result of wage restraint, would be quickly offset by increased company spending. There is no evidence whatsoever that lower real wages would lead to firms substituting labour-intensive production processes for capital-intensive systems.

Over the past 20 years manufacturing has increasingly involved the use of high technological systems which displace labour. Investment has often meant the displacement, not the replenishment, of labour. It is unlikely that reductions in real wages, which are an intrinsic part of the Government's policy, will lead firms to jump back into large-scale labour-intensive assembly plants, which were the feature of the economy during the 1950s and, to some extent, the 1960s.

If low wages will encourage the creation of more jobs, we must bear in mind the fact that wages paid to manual labour in the Third world are about one fifth of the cost of wages of manual labour in the United Kingdom. Large multinational corporations have sold our country short for decades by taking capital created by working people and investing it in low-wage economies such as Taiwan, South Korea, Brazil, and supposedly democratic South Africa —so dear to the hearts of Conservative Members. We are hardly likely to see that capital flowing back to the United Kingdom under the regime which the Chancellor of the Exchequer believes or says he believes to be the answer to our unemployment problem. All too often the motive for new technology is not to improve the living standards of working people, nor even to control labour costs. New technology is used as an instrument to control labour itself.

In his Budget statement, the Chancellor of the Exchequer gloated that in 1984 investment rose by 13 per cent., and that that was the biggest single increase in any year since 1973. However, he did not say what that 13 per cent. was 13 per cent. of. We know that in 1984 manufacturing investment was 25 per cent. lower than when the Government came to office in 1979. Indeed, manufacturing investment was even lower than during the three-day week under a previous Conservative Government. The latest figures of the Organisation for Economic Co-operation and Development show that United Kingdom capital investment per head in relation to gross national product is one of the lowest in the developed world. That is where the Government's economic policies have led us, and where we shall continue to be led by Budgets of such an uninteresting nature.

In his bid for lower wages, the Chancellor of the Exchequer also said:

"Wages councils destroy jobs by making it illegal for employers to offer work at wages they can afford and the unemployed are prepared to accept."—[*Official Report*, 19 March 1985; Vol. 75, c. 794.]

I wish that wages councils had been as efficient in increasing minimum wage legislation as the Chancellor says. Their success has been limited because of a lack of resources. I would complain, not that wages councils have been too successful, but that they have dealt inadequately with the problem of policing minimum wage legislation.

If it is argued that lower real wages mean more jobs, why is it that in my area of Merseyside we have low wages and the highest rate of unemployment in the entire country — 20 per cent. unemployment? The Merseyside

chamber of commerce, which is not a body which will ballot for affiliation to the Labour party, stated that the loss of special development area status has had a larger negative effect in Merseyside than any positive actions that may have been in the Budget.

Low wages are the real problem. I have in my possession a copy of the Merseyside county council report on working insecurity. It relates to the abysmally low wages which are paid in that area of high unemployment. I can give the example of a security guard who must work for more than 100 hours a week for less than he would get on the dole. I can tell the House of a security officer who works 80 hours a week on permanent night duty for £73·10 a week. His place of work has no adequate toilet facilities, and he is provided with a plastic bin bag. Another worker works from 7 in the evening to 7 in the morning for six nights a week, yet is classed as a part-time worker. Those are the abysmal circumstances which people face in an area of high unemployment and in a trade which does not have a well organised trade union.

It has been argued that lower real wages will increase the international competitiveness of British goods. Again, that is a simplistic argument. It ignores the other issues which arise internationally and which are outside the control of the British Government. The United States visible trade deficit increased from $28 billion in 1981 to $123 billion in 1984. That has resulted in protectionist pressures in Congress, where 20 per cent. tariff barriers are being called for. Who is to say that President Reagan will not give in to such pressures? The other factor which must be borne in mind is that the fortunes of the dollar are likely to be reversed—perhaps we are seeing some evidence of that already — in 1985, possibly with damaging consequences for the export trade of many other countries, including the United Kingdom.

We are told by the Leader of the House that if we continue with the policies that are reflected in the Finance Bill, we can expect a reduction in unemployment by the end of 1985. Not one reputable economic institution is willing to back that claim. None expects a lower unemployment figure than 3·2 million by the end of this year. Only Professor Minford, the Thatcher clone from Liverpool university, expects it to be lower. He suggests an estimated figure of 2·8 million unemployed by the end of 1985. I am not sure whether Professor Minford is a Thatcher clone or whether the Prime Minister is a Minford clone. However, they appear to see eye to eye. If Professor Minford's estimate is to come about, there will have to be an increase of 650,000 jobs, allowing for this summer's school leavers. I can see nothing to suggest that 2·8 million unemployed is a feasible figure, given the Government's policies.

Mr. Richard Page (Hertfordshire, South-West): Purely for the purpose of the record, my right hon. Friend the Member for Shropshire, North (Mr. Biffen) said that that would be achieved within the lifetime of this Parliament, not in 1985.

Mr. Wareing: That gives him a little breathing space but I see no evidence that unemployment is falling. It will have to shape up before the end of 1985 if his estimate is to come about.

When I hear Conservative Members such as the hon. Member for Kettering (Mr. Freeman), who intervened during the speech of my hon. Friend the Member for Sheffield, Attercliffe (Mr. Duffy), suggest that it is better to have the YTS with no jobs at the end than to have no YTS at all, I retort that one of the purposes of the YTS is to depress real wages. One of its objectives is to ensure that younger, cheaper labour takes the place of older workers in industry. When I said that the Government might believe that joblessness can be dealt with by lower real wages, I was assuming that the Government's aim is not to reduce unemployment, rather that they believe that unemployment is a vehicle of their economic policy for disciplining labour in this period of recession.

I listened with great interest to the speech of the right hon. Member for Guildford (Mr. Howell). He appealed to Labour Members for more compassion. He said that we should have more compassion for tax reforms which reduced taxes not only for the rich but for people lower down the scale. I have news for him. That compassion has been revealed in the Labour party in motion after motion condemning the Government's policies on higher gas and electricity charges and water rates, and their attacks on local authority expenditure levels and the transport supplementary grant. All that has meant higher taxation in terms of real prices for many British people. The people whose shoulders now have to bear the effects of those policies are not those who are best capable of doing so, the richer section of the community, but the poorer members of our population. They are the ones who are made to suffer so that the Government's policies can be carried out.

The Labour party must pursue and propound Socialist economic policies. I listended with interest to the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) eulogising the work of the Employment Institute, but let me issue a warning to some of my comrades in the Labour movement, including my right hon. and hon. Friends in the House. Although it is true that we can create more jobs by building up the infrastructure, by dealing with the outmoded sewerage system, by producing better roads and schools and preserving our NHS, and by improving the social benefits which are likely to be under attack in the next few weeks when the Government have the courage, after the county council elections, to come forward with the social security reviews, we cannot tax ourselves into a more just society. We cannot create Socialism out of taxation.

If we leave untouched the great multinational conglomerates which dominate our economy, we shall be faced with the same problems as faced our economy during the 1960s and 1970s. The solution for Labour Members must be for a speedy interpretation and implementation of Socialist economic policies which will bring industry under democratic management and accountability.

6.45 pm

Mr. Nigel Forman (Carshalton and Wallington): I do not intend to follow the hon. Member for Liverpool, West Derby (Mr. Wareing) along the lines that he was arguing. However, I cannot resist the temptation to say a word about the speech of the right hon. Member for South Down (Mr. Powell), even in his absence. It was clear, listening to his interesting and somewhat amusing speech, that he was setting the House of Commons an exam, answering his own questions and then awarding himself a starred first as a result.

May I humbly sketch the outline of a couple of points in answer to some of his questions? He might find the locus classicus answer—I deliberately put it that way

[Mr. Nigel Forman]

because I know what a great classical scholar he is—to one of his conundrums about the Government's monetary policy in *Hansard* column 789 of the Chancellor's Budget statement. I say no more than that.

Secondly, I make the political comment that we as politicians recognise that it is in some strange way, although it might not seem to be the case to a logician, more difficult to nudge, push, cajole or force inflation down from 5 or 6 per cent. to what is called in the jargon stable prices, that it is, paradoxically, to get inflation down from 20 per cent.-plus to 5 or 6 per cent. I do not have the time to outline my reasons for saying that, but there are some powerful political and social reasons for saying so.

I welcome the Budget and hence the Finance Bill which flows from it, especially, if I might say so in a slightly Irish way, that part of the Budget which is not in the Finance Bill — the restructuring of national insurance contributions in favour of the lower paid, which I warmly commend to the House.

As many of my hon. Friends have said already, this year's Finance Bill is much less controversial and exciting than last year's. The reason is easy for us all to see. Its final shape was and is very much the result of the period of intensive lobbying that we all underwent over the few months leading up to the Budget which made it effectively politically impossible at that time either to make significant changes in the range of tax expenditures—I am thinking in particular of ways of cutting them back —or significant extensions to the VAT base.

Like my hon. Friend the Member for Horsham (Mr. Hordern), who made a most interesting speech, I regret the fact that the Chancellor was forced to bury the radical and reforming instincts of his first Budget in this, his cautious and responsible second Budget. We all understand the reasons for that and I shall not weary the House by repeating them, but it is a matter for regret that it was the case. I hope that the change of character and temperament which appeared to be the case in this year's Budget will prove to be only temporary and that he will make a speedy recovery from his illness, if I may put it that way.

I hope that after the various decisions on social security, which I believe will be announced shortly, and the Green Paper on personal taxation, which we understand from the Budget statement is to be made available by the end of the year, the Chancellor will feel free to revert to his true self and that Dr. Jekyll will triumph over Mr. Hyde.

The purpose of my brief speech is to put down a few markers about what I should like to see in future Finance Bills when the time is riper for the Chancellor to be more radical. I agree with my hon. Friend the Member for Horsham that we need an income tax structure characterised by lower average rates of tax—I stress the word "average" — a benefit structure characterised by more generous and specific help for the genuinely needy, and a combined tax-benefit system that could eliminate much of the present bureaucratic churning and duplication between the Inland Revenue and the Department of Social Security.

Fundamental reform of personal taxation along almost any lines must take one of two broad directions. At some point one is bound to reach a fork in the road and to have to decide which road to take.

I will not characterise the roads as left or right. I will leave it to hon. Members to draw their own conclusions. On the one hand, we could strive heroically over a number of years to separate income tax payers from social security beneficiaries, as at the time of the Beveridge report of 1942 and before the last war. We could attempt to create a vast distance of clear water—in boat race terminology —between the point at which one entered income tax and the point at which one no longer qualified for social security benefit. That approach is remarkably reminiscent of the 19th century principle of less eligibility which originated with the Elizabethan poor law and, although something of a historian, I do not find it very attractive.

The approach would achieve certain savings on social security, but on the other side of the account it would entail forgoing income tax revenue, and that would be a matter of concern to my hon. Friends on the Treasury Bench. It would be costly in social terms. The efforts necessary to achieve the stretch of clear water would be painful in an old and well-established society such as ours, where vested interests are fixed like barnacles on the bottom of the political boat. It would also be costly in economic terms. According to the Treasury's figures, it would cost about £2,150 million in a full year to raise all the income tax thresholds on the personal side by 10 per cent. in real terms, and that would have to be done on a sustained basis over a number of years in order to achieve the desired effect. On one point, I agree with the right hon. Member for Birmingham, Sparbrook (Mr. Hattersley). It would be better and more cost-effective to raise child benefit significantly, if one were concerned about family poverty — about the area where the poverty trap bites most acutely. Broadly speaking, therefore, I am not enamoured of the clear water route towards solving the problem.

On the other hand—this is my preferred route—we could attempt a clear and honest integration of the income tax and social security systems based on the eventual introduction of a new, computerised, single tax-benefit system. That would involve a gradually increasing burden of income tax above the line, and a gradually increasing amount of benefit below the line, up to certain predetermined maxima in each direction which would have to be set at relatively modest levels.

Such a system would be much simpler than the present system. It would be elegant and symmetrical, and it would be comprehensive. It would not, however, entirely eliminate all poverty traps. As I have argued elsewhere, it is a chimera to think that one can, or should attempt to, eliminate all poverty traps. There should be higher social priorities than that. However, we need to pay attention to the poverty trap, because it is a matter of acute concern to those who have the misfortune to be caught in it.

How can we mitigate the poverty trap, while accepting that we cannot eliminate it entirely? One possibility would be to have a significant band of income — perhaps between £60 and £100 a week before tax — which attracted neither taxation nor benefit. That could create a genuine stretch of clear water. We could index each of those thresholds against the possibility that we might have the misfortune to suffer from inflation in the future. We could guarantee that amount of clear water where the tax-benefit position would follow a median line before branching off either to the payment of income tax or to the receipt of benefit.

If the system that I endorse were to work satisfactorily there would be a need for two other prerequisites. It would imply a consolidation of national insurance contributions into the income tax structure. Hon. Members may ask

what would happen to the employers' contribution. As has been said, that contribution is already effectively a payroll tax upon employers. We would merely have to recognise that fact.

Secondly, it would be important in any integrated system that every adult taxpayer should have a single transferable tax allowance, so that a typical family would have two individual tax allowances. The present spread between those who have one and a half allowances and those who have two and a half would disappear.

Such a system would prove more acceptable if the tapers were as gentle and simple as practicable within a structure that contained only a few modest rates of taxation and only a few generous and consolidated social benefits. I take heart from leaks in the newspapers that suggest that the social security review will tend towards a more generous and certainly a more consolidated system of social benefits. I recommend such simplification.

As my hon. Friend the Member for Horsham wisely said, we must learn from across the Atlantic and note the advantages provided by the existing American tax system, let alone by any future system consequent upon present legislative changes. We must attempt to reach a position similar to that outlined by President Reagan's Treasury Department, where there is a higher threshold before one enters tax, fewer tax allowances, fewer bands of tax and a modest top rate. With a structure on those broad outlines, one would probably find—as my right hon. Friend the Member for Guildford (Mr. Howell) also said — that more revenue was raised than with a peaky tax system on a very narrow base with high marginal rates. What is of key importance is the average tax rate and the average tax burden, rather than the marginal rates. As a further advantage, the integration of the Inland Revenue and the DHSS bureaucracies that I have described would probably result in significant administrative savings.

Such a bold plan would be bound to have political implications. Reform always has. However, the political price of funking reform could be equally great. The main disadvantages would obviously be, from the political and social point of view, the loss of non-means-tested benefits for those on average income and above. They would find that they could no longer claim child benefit, maternity allowances and similar benefits. There would also be the loss of the married man's tax allowance and the fairer redistribution of that allowance throughout the income tax structure in the way that I have described in detailing the single transferable tax allowance.

The advantages would be infinitely greater. The present Government and future ones would be able to reduce the burden of income tax at all levels of income. That must be one of our strategic objectives. Social benefits could be more attuned to real needs and, I hope, more generous when they were identified. The combined system would be simpler and cheaper to administer. Above all, it would be more in accordance with some rational principles of social justice such as I would like to see injected into these matters.

Such changes would require great political courage, but it should be possible for this Government of all Governments to press ahead in that direction and to make the changes in a suitably phased way to cushion the losers. We should make no mistake about it, there would be some losers, but nothing that is worth doing is worth doing other than properly. As long as we are honest with people and phase the changes, the plan could be achieved.

The Government should outline proposals such as I have described in the coming year, seek a mandate for them as a central part of our manifesto at the next general election and, if re-elected, as I confidently believe we could be, implement them in the first two years of the next Parliament. It would therefore be somewhat unwise to legislate prematurely and pre-emptively on social security in the coming Session, as I gather might well happen, in advance of substantial decisions on personal tax reform, which I cannot envisage being presented to the House before 1986-87 at the earliest. At the very least those two reforms should be brought forward in parallel, so that they are compatible and make a sensible overall change.

We must focus on average rates of taxation rather than marginal rates in this and future Finance Bills. I deplore the fact that marginal rates of tax have been something of a political obsession for too long. They have been an obsession for the Conservative party because of our fascination with the argument about incentives, which is often misplaced, and they have been an obsession for the Labour party because of its fascination with issues to do with distribution and redistribution without asking often enough how to create fresh wealth and income.

A sensible Government will concentrate on a system such as I have described. This is our last best chance to do this sort of thing, as computerisation will come in soon. The system would be based on the clear principles of equity, efficiency and simplicity, and be a great boon to the British people.

7.2 pm

Mr. Ian Wrigglesworth (Stockton, South): I congratulate the hon. Member for Carshalton and Wallington (Mr. Forman) on making bold suggestions about what the Government should do. They bear a strong resemblance to proposals that I and my colleagues have studied recently. There might be some differences, but the general thrust of what he said is similar—as he will know, because he is a great expert on these matters—to what our group under Dick Taverne, the former Financial Secretary to the Treasury, has examined. The group led us to propose at the last general election that we should introduce a basic benefit as a first step towards an integrated system such as the hon. Gentleman suggested.

The general tenor of the hon. Gentleman's speech bears out the most striking feature of debates on the Budget. I have not counted them but the majority of Conservative Back Bench speeches have opposed the Government's economic strategy. A range of Conservative Members present, and others who are not here today, have consistently opposed the Government's strategy. Again and again we hear the baleful hope that, next year, there will be a change in strategy. I must tell those Conservative Members that the strategy will not change until votes change it. The votes could be in the House, and produce change more rapidly, or outside it. If hon. Members want the strategy to change, they will have to put their votes where their mouths are. I hope that they will forgive me for being blunt, but many of us, who agree with much of what some Conservative Back Benchers say, wish that they would take more action.

Perhaps I might echo what my right hon. Friend the Member for Glasgow, Hillhead (Mr. Jenkins) said in the Budget debate. I hope that Conservative Members will not leave it until too late. They might regret the social and

[Mr. Ian Wrigglesworth]

economic conditions that are to be found in many parts of the country, but they will bear part of the blame if they do not act to change the Government's economic strategy.

Like others, I find the Finance Bill disappointing. I should like to join the Select Committee in criticising the methods by which we debate changes such as these. We have had other similar legislation and tomorrow we shall have an archetypal example of the wrong way in which to introduce legislation. I refer to the Insolvency Bill. Hundreds of amendments, many of them Government amendments, are being introduced in another place when there should have been a full opportunity for all interested parties to comment before parliamentary proceedings started. We have new procedures to enable draft clauses to be considered. I hope that the Select Committee's proposals about procedure will be taken into account still further. The Government have moved somewhat, but I hope, for the benefit of the country and of good legislation, that they will move further and prevent neurotic debates such as we had before the Budget on the taxation of pensions and other matters, which helped nobody.

The Select Committee report confirms how deflationary the Budget and the Bill are. The Select Committee bears out the criticisms that I and my colleagues made immediately after the Budget concerning the £2 billion increase in the contingency reserve. The figures show clearly that this strategy will further tighten fiscal and monetary policy. That is quite wrong at the moment in view of our domestic circumstances and international ones.

It is regrettable that our fears when we first heard the Budget statement have been borne out, and that it offers no hope to the unemployed that there will be any early change in the direction in which the unemployment figures have been going in recent years. That is borne out by the forecasts which various city institutions have been making —I think of Hoare Govett and of Simon and Coates—of increases in unemployment in the period ahead. That is an abysmal state of affairs for the unemployed to have to face and in our view a quite unnecessary one.

My other comment is on the subject mentioned by the right hon. Member for Guildford (Mr. Howell) about the international scene. The passage of time since the Budget has demonstrated how tragic it was that the Government did not take steps to enter the exchange rate mechanism of the European monetary system. Unfortunately, they have probably missed the boat. Certainly they have missed the negotiating boat because the exchange rate has changed and moved against the pound. I see that today it is knocking on 80 on the index and that the deutschmark-sterling rate has gone against us. If we had started negotiating months ago we could have gone in in a much more advantageous position than if we started negotiations today. Helmut Schmidt is to make a speech about this in London this week and will be bearing out the views of Paul Volcker, the chairman of the Federal Reserve Board.

To compensate for what is happening in the United States, if the United States Government are to rein back on their budget deficit, Europe should lead the way in a concerted effort to take up some of the slack that there will be as a result.

We would benefit enormously from having the British pound in that exchange rate mechanism. The European Community could play a much bigger role in the economic world than it is at the moment. It could help to increase stability. It was part of our proposals in the anti-inflationary package that we felt was necessary if we were to expand the budgetary policy in the way that we proposed at the time of the Budget. It is most regrettable that the Government have not moved on that before now.

The hon. Member for Mid-Norfolk (Mr. Ryder), who is no longer with us, made a remarkable speech. He spent all his time commenting on the Budget proposals put forward by the alliance. If that had been the subject under discussion today I should have been delighted to enter into a debate about our Budget priorities published at the time that the Chancellor of the Exchequer made his proposals to the House. My hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) referred to those, but I come back to them because we have seen some remarkable contortions from the other Opposition party both at the time of the Budget and since.

I say to the hon. Member for Mid-Norfolk, in his absence, that although he may not agree with some of our proposals and priorities, at least we took the trouble to test them on a widely respected economic model and to test out the consequences of the changes that we proposed. It was from the work that we did on that model that we were able to produce the PSBR figure, which he criticised, of £8·9 billion and which we believed, if anything, was a very modest PSBR considering the current circumstances.

All that I say to the hon. Member for Mid-Norfolk is that if he wants to contrast our figures with others, he should look at the Labour party's proposals. We have seen a terrible exercise in deception by Labour spokesmen, with figures being plucked out of the air, including a fall of 1 million in the level of unemployment in two years. We have seen PSBR figures plucked out of the air as well. None of them add up, and they all lead to the conclusion that they simply would not work.

Mr. Higgins: The Red Book forecast for the percentage change in GDP in 1984-85 is 3·5 per cent. What are the figures under the hon. Gentleman's proposals?

Mr. Wrigglesworth: To answer the right hon. Gentleman's question I shall have to run through the various figures that we put into our Budget proposals. We went further than producing just the ones that we chose. We produced the five different simulations that we tried on the economic model so that people could see the consequences of the different options. The PSBR figure of £8·9 billion net was £1·9 billion above the forecast by the Chancellor of the Exchequer for the forthcoming year, and it can be cut by another £2 billion because of the increase in the contingency reserve. I hope that I shall be able to lay my hands on the growth figure, but I had probably better not delay the House by searching for it amongst my papers now.

I mentioned the Labour party's proposals because one of the biggest holes in what the Labour party proposed at the time and one of the biggest holes in the Government's economic strategy is on the pay front. We hear a great deal from the Chancellor and other Ministers about the level of pay settlements. Looking at various reports such as those coming from Incomes Data Studies and the CBI and the various settlements being made at present, it is clear that the rate of settlements is creeping up. The latest CBI figures show pay increases of between 6·25 per cent. and

6·5 per cent. It is creeping up and up. If it continues, it will have a considerable impact upon the Government's forecasts for the year. Yet there seems to be no alternative other than exhortation from Ministers about the threat of further unemployment and higher inflation. Little action is being taken other than squeezing the economy even tighter to try to stop that occurring.

From the Labour party we have vague words about some sort of agreement with the trade unions, with no flesh being put on the bones and no real acknowledgement that this is the one major area which the country has found to be a problem year in and year out.

We put forward proposals which we believe would help to deal with this problem. We believe that they should be introduced by the Government to contain pay increases that both damage the employment prospects and give rise to the fear of inflation. We propose both a system of pendulum arbitration built into agreements and a suggestion for an inflation tax. I shall not go through those proposals now, but we believe that the Government and all those who take a serious interest in these matters and are prepared to face the consequences of what they say must accept that pay increases are going up, that if the economy is expanded the danger of those pay increases taking off is great, and that some policy must be introduced to contain those pay increases if the entire exercise is not to be aborted by high inflation and lost job opportunities caused by people taking pay increases which, in effect, are losing other people their jobs.

I hope that we shall hear from the Financial Secretary about the level of pay settlements and the Government's attitude towards them. Unless they are able to respond in some way and stop pay increases taking off at an even greater level than they have been over recent times, it is clear that even the levels of increased unemployment that such people as Hoare Govett and Simon and Coates are forecasting will be outmatched as a result.

7.20 pm

Mr. Richard Page (Hertfordshire, South-West): Today, we begin the technical process of converting the rather broad strategy of the Budget into reality. I shall not detain the House long. One of the advatages of speaking at this stage of the debate is that many of my colleagues have done me the courtesy of making most of my points. I do not propose to gallop over those points too often with great intensity.

Last year I was struck by a remark by my right hon. Friend the Member for Worthing (Mr. Higgins) when he said that a Budget greeted with acclaim on Budget day can look very different on Second Reading. I believe that this Budget, which was well received on Budget day, will look even better as the year progresses. I am one of those who do not want a series of dramatic Budgets; I prefer a steady economic regime, because the companies and people who must operate under the financial laws that we lay down prefer a degree of continuity from year to year. They do not want something similar to the four Budgets a year that came out under the Labour Government between 1974 and 1979. They want stability so that they can plan ahead.

Despite the cheap sarcasm of the right hon. Member for Birmingham, Sparbrook (Mr. Hattersley), I believe that my right hon. Friend the Chancellor was right to make unemployment the taget to hit within the Budget. We must achieve a reduction in unemployment or we shall be the victims of the self-same campaign as we successfully waged in 1979 with the slogan, "Labour isn't working". It will be no good Conservative Members arguing that changing working patterns are responsible for unemployment, that the demographic profile is working aginst us, that the black economy means that there really are jobs or that the highest percentage of the population in work is higher in Britain than in the rest of Europe. That being true will not mitigate the fact that the benchmark of success in the next general election will be the level of unemployment, just as the level of inflation was the benchmark of success in some past elections.

The demographic profile after the next general election will start to turn the other way. Although that will mean a huge pension problem in the early years of the 21st century, it will mean also guaranteed success for the next Government in terms of unemployment figures. I am not pessimistic about achieving a fall in the unemployment figures. Even before this Budget and this Finance Bill have had a chance to work, the number of people in work has increased. During the last general election it would have been difficult to believe a person who had said, "I promise that under our policies half a million more people will be in work 18 months into the period of the next Government." In fact, that is exactly what has happened. Half a million more people are in work than at the time of the last general election. That increase is offset by the increase in the national work force as those leaving education exceed the numbers aging into retirement I welcome the efforts in the Finance Bill to attack unemployment, especially the efforts to erode the poverty trap and launch an assault on the "Why work?" syndrome.

It is not necessary to outline the objections to the present interplay between income tax and benefits, except to say that morally, if for no other reason, it must be right for it to be more advantageous for someone to work than not to work. I believe that every hon. Member would agree. The only argument must be about the size of the advantage to be gained from working rather than not working. Should it be £5 or £10 a week? I sympathise with the Treasury team about the fact that the room for manoeuvre in this direction was dramatically curtailed because of the antics last year of the leader of the NUM. I, too, live in anticipation that next year there will be a further step to lessen the gap.

During debates on previous Finance Bills I have made several pleas regarding the whole sector of small business activity, and tonight will not be an exception. A major cause of our unemployment problem is found in the past treatment of our small business sector.

Mr. Wareing: I am pleased that the hon. Gentleman wants to lessen the gap that separates those who are out of work and those who are in work but are poorly paid. The hon. Gentleman may have heard some of the examples that I gave. How would he solve the problems of a security officer in Liverpool who is employed for 80 hours a week for £73·10? Does the hon. Gentleman advocate giving higher pay to that security officer? If so, how will that be arranged? Will it be done through, for instance, wages councils? Is the opposite the case? Does the hon. Gentleman want an erosion of the present disparate levels of social security benefits?

Mr. Page: To give a full answer to the hon. Gentleman's questions I should have to run through a series of examples showing how a tax benefit system

[Mr. Page]

would work. My hon. Friend the Member for Carshalton and Wallington (Mr. Forman) in his valuable and important speech spent considerable time revealing just one method by which the system could work. We have the computer technology to put into effect a system whereby a person could go to work and be paid by his firm, and could, if he was due to receive various benefits from the state system, receive those benefits in the form of negative income tax. He would come away from his 80 hours of work with considerably more money and would not have to go to the state to ask for a particular type of benefit. That would be an immensely simplified system.

Mr. Wareing: Does the hon. Gentleman agree that that smacks a little of the old Speenhamland system? It would encourage employers to pay low wages. If employers pay low wages, they know that the loss to the employee will be made up out of all the jiggery-pokery of the income tax system. Is that not a recipe for lower wages?

Mr. Page: Any scheme can have disadvantages. The ordinary taxpayers would have to be protected from that disadvantage. They could not be expected to finance artificially low wages and high benefits. Although I would be delighted to discuss this matter in greater detail, I must progress to the other aspects that I should like to put forward.

I return to the small business sector. One of our problems is that we adopted a neglectful policy towards small businesses 10 or 15 years ago. People believed that bigger was better and the lack of small business creation at that time has resulted in our not having the number of companies that should be employing 300 or 400 people today.

The nature of the state is changing and the old patterns of state ownership and intervention are dissolving. Therefore, the role of small businesses has become much more important, especially with the arrival of the microelectronic age. If we are to provide the employment required by those changing patterns, we need the flexibility and adaptability of small businesses. That puts a responsibility on us to reduce as much as possible the burdens imposed on those businesses.

There is no doubt that the level at which VAT has to be paid results in an unnecessary and bureaucratic burden that is way out of proportion to the activity of many small businesses. More important, the collection of VAT at present levels is uneconomic for the Customs and Excise. The Keith report mentions the economic aspects of VAT collection and we should not let the loss of an opportunity to increase VAT exemption limits go unremarked.

I am told that the current economic level for the imposition of VAT is £50,000. I see no reason why we should not increase the exemption limit to that level. I know that it would cause difficulties with the European Community, but it is our economy and our income The exemption limit should be raised.

Mr. William Cash (Stafford): Does my hon. Friend agree that the inquiry into the burdens imposed by legislation should be vigorously pursued between now and the autumn? We have some good ideas in the pipeline, but we want action as quickly as possible.

Mr. Page: I agree with my hon. Friend. I do not know what I have done to deserve being led away from the points that I want to make, but I agree with my hon. Friend that anything that we can do to reduce the bureaucratic load on small businesses should be encouraged. My plea for an increase in the VAT exemption limits comes in that category.

I welcome the extra category — research and development—that has been introduced into the business expansion scheme. Research and development are vital if we are to keep up with changing technology. I am glad that the Treasury has blocked people involved in property development. The scheme was not set up for such people.

However, while welcoming improvements in the scheme, I hope that we can further improve its operation, especially by broadening the categories of those who can invest in various schemes. I am sure that the extremely attractive scheme is being only partially used. Allowing a more direct line of investment within a family would provide further expansion and more employment prospects.

I am worried that some people may be investing in the business expansion scheme through investment companies that are not finding too many schemes in which to place relatively large sums of money. The business expansion scheme is an imaginative initiative and I hope that it will be given as much publicity as possible.

I am delighted that my right hon. Friend the Chancellor of the Exchequer got rid of development land tax. It was a stupid tax which retarded development and drove up property prices. We are well rid of it.

I am also grateful for the changes in the writing down of short-term assets. The solution will be widely welcomed by companies engaged in some of the new technology on the new frontiers. If they want to stay in the game, they have to change machinery and equipment at a much faster rate than we have seen in the past.

I believe that the Budget will be increasingly appreciated as the years go by. It is a sign of the stability in our economy and I look forward to its provisions being implemented in the Bill.

7.36 pm

Mr. Harry Cohen (Leyton): There is a joke about the Budget which takes the form of an extract from *Hansard*. A Conservative Member asks the Chancellor of the Exchequer. "What about the £3,000 million of tax cuts you promised us?" The Chancellor replies, "£2,000 million of tax cuts? I never promised £1,000 million of tax cuts."

There were no tax cuts in the Budget. Indeed, the increase in the tax burden since 1979 has been about £22 billion, with the highest proportion falling on those with average or below average earnings.

The Budget and the Government's policies will have no impact on unemployment, despite £13·5 billion of revenue from North sea oil this year. The Government get more from the oil in five days than the Labour Government got in five years. That money is being squandered to cover up the shambles that the Government have created in the rest of British industry.

Unemployment is the Government's central weapon of fear and they use it to ensure that pay is kept low so that the private profits of the few big companies and multinationals are kept high. The attacks on trade unions are part of that strategy. That is why tackling unemployment is such a low priority for the Government.

Mr. Freeman: The hon. Gentleman's remarks prompt me to refer to the report on the Budget by the Select

Committee on the Treasury and Civil Service, which refers specifically to the defect of the Budget on employment. Paragraph 44 points out that advisers to the Select Committee forecast that the national insurance contribution changes alone will have a net effect on employment of between 150,000 and 160,000.

Mr. Cohen: I know a great deal more than the hon. Gentleman about the consequences of the Budget and the Government's economic policies on unemployment in my constituency. I shall mention the national insurance changes later.

The Government claim to want to leave the economy to the market, but they do intervene—not to create jobs, but to enable greater employer exploitation of workers. The contradiction in that is fundamental. In the prevailing economic circumstances, the Government can never create full employment and maintain the domination of the bosses. That unfair domination, which is reflected in low wages, worsening conditions for workers and unemployment, is so unpopular that those who promote it will be swept aside. The Tory wets know that and are worried about it.

The Budget and the Government's policies will do nothing to increase employment. The Government continue to hurt ordinary people with their economic and political measures. Some of them were presented in the Chancellor's cosmetic Budget exercise. Cuts in the National Health Service and in local government are still part of the economic strategy. I could give countless examples of those cuts. I shall give an example which affects local government in London. Between 1979-80 and 1983-84 the Government cut the rate support grant by £1·533 billion, the housing investment programme by £2·257 billion and housing subsidies by £791 million. Those cuts total £4·581 billion. It is no wonder that Londoners face higher rates, housing decline and increased unemployment.

Charges are also up. Since 1979, prescription charges have increased by 1,000 per cent. They are a tax on the sick. Fares, rents, mortgage rates, electricity, gas and petrol have all been forced up to levels which are well above the rate of inflation. Those increases were not presented in the cosmetic Budget. The purpose of the social services reviews is to produce benefit cuts. It is inevitable that the Government will introduce benefit cuts because they are concomitant with their strategy of forcing individuals into low-paid jobs.

It is appropriate that we are having the debate today, because one of those benefit cuts has already come into operation. It represents the Poor Law for our homeless youngsters. The Government are repeating what the Poor Law said: "Get out of this village and go somewhere else." The Government are forcing youngsters to move from area to area to obtain benefit for decent accommodation. They are turning them into gypsies. Many more horrible benefit cuts will come from the Fowler reviews.

Low pay is central to the Budget. It is what the Chancellor and the Tory Right want for other people but not for themselves. Emma MacLennan of the Low Pay Unit outlined the current position of the low-paid in the current edition of *Spare Rib*. She said:

"Most low-paid workers are women. Last year, nearly eight and a half million workers in Britain were earning less than the 'decency threshold' for wages specified under the European Social Charter (£108 per week, or £2·75 per hour). Five and a half million of them were women, making up over a quarter of the entire adult workforce."

Mr. Douglas Hogg (Grantham): The hon. Gentleman has told us about 8·5 million people earning what he calls low pay. How many were part-timers?

Mr. Cohen: I cannot give the hon. Gentleman the figure, but I have quoted from someone who knows the figures. Part-timers often receive low wages. When talking about hourly rates, part-time workers are at the bottom of the scale. The Government want to increase that figure of 8·5 million. They have introduced measures in the Budget designed to achieve that. They are increasing the taxes on spending. Emma MacLennan states in the same article:

"On average a low-paid householder will pay an extra £1·10 in expenditure taxes . . . including prescription and water charges."

There is a threat to the wages councils. They legally protect the wage levels of about 3 million low-paid workers, of whom 2·5 million are women. The councils set the rates in industries such as textiles and catering. The wage rates are a little over £1 per hour. The workers in those industries are the Government's target and scapegoat. The Government make the ludicrous charge that they are overpaid. That is nonsense.

Wages councils are not without faults. As my hon. Friend the Member for Liverpool, West Derby (Mr. Wareing) said, wages councils are not as effective as they should be because of the lack of enforcement. The Government's proposals will increase sweatshops because those employers who want to pay decent wages will be forced into bankruptcy by sweatshop competition.

There is an expansion of the youth training scheme. I believe that it should be called CLUC—cheap labour under the Conservatives. To pay £26·25 for 40 hours is dreadful. Not one Conservative Member would work for those rates. What chance will a youngster have to build an independent life—as many want to—on that wage? There is no training. YTS does not offer a real job, and there is no job when the young people leave. There is also the threat of industrial compulsion. The Government threaten, "Either get on the YTS or lose your benefit." So much for the freedom which the Tories espouse so strongly.

The hon. Member for Stafford (Mr. Cash) is not in his place to hear my comments on the national insurance contribution restructuring. It was outlined in an article by Christopher Huhne in *The Guardian* on 11 April 1985. He said:

"The restructuring of National Insurance contributions whereby the low-paid now face lower graduated rates of contribution, payable on all their income when they pass its threshold, will make it cheaper to employ the young and the unskilled. But it will make it a lot more expensive to give them pay rises in return for upskilling or seniority."

In other words, it will be another low-wage poverty trap. None of the Government's theories about the low-paid pricing themselves out of a job to apply to the rich. The opposite theories apply to the rich. The Government call them incentives. They have cut taxes for the rich. I asked the Chancellor how much had been given to the top 5 per cent. since 1979. He replied that the official figures showed the figure to be about £3 billion. The truth was given by hon. Friend the Member for Oldham, West (Mr. Meacher) last Monday when he said that the figure was nearer £12·5 billion.

[Mr. Cohen]

It is all right for the captains of industry to have big pay rises. The chairman of ICI has just been given a 68 per cent. pay rise. His pay has risen to £287,261 per annum. Recent research compared the pay of the 20 highest paid directors with the average wages of male manual workers. The pay of those 20 directors was the equivalent of the pay of 454 manual workers in 1979. Today, their pay is equivalent to the pay of 722 workers. The gap has widened.

On 1 October 1984, *The Guardian* explained what really happened. Under the heading

"Gradgrind Lawson prescribes the medicine that Charles Dickens scoffed at,"

it stated:

"the Chancellor is now setting his sights on reducing real wage increases so people can 'price themselves' back into jobs. For some reason not fully explained, this theory seems to work best among poorer people. Richer people need to have more money to release their 'incentives' from wherever they have been hidden.

By salary and dividend curbs and, above all, by reducing the marginal rate of tax at the highest rates, Mrs. Thatcher has given what is probably the biggest increase to higher salary earners on record. Whether, five years later amid industrial devastation, low growth and record unemployment you can find tangible evidence of the justification of those incentives is another matter."

The only consistency in the Government's approach is to give those who have more and to take away from the low paid.

The myth about workers pricing themselves out of jobs was exploded recently by a Cambridge study, which showed that the poorest 10 per cent. of workers took a pay cut yet suffered most from unemployment. They followed the Government's advice and were hit most by unemployment. That is part of the Government's strategy for an enterprise economy similar to that in the United States.

The census bureau in the United States recently showed that 30 per cent. of the population has to rely on welfare assistance. That figure is increasing. About 66,454,000 people need welfare assistance under the so-called wonderful United States enterprise economy. A recent Radio 4 programme entitled "Hunger in the United States" illustrated the problem that exists in the richest country in the world. The Chancellor wants to import that capitalist, enterprise economy to Britain.

We need a different strategy. We need different priorities in all areas. Defence expenditure should be reduced to the proportion of GNP that it is in Europe. We should stop the waste of fortress Falklands, which costs us £3 million a day and the Trident programme which is costing £11·5 million. We must stop handouts to the drug companies and deal with the private drug cheats—which was mentioned during a Standing Order No. 10 application earlier today. The Government have put £75 million aside to hand out to Johnson Matthey if it asks for it. We must also stop bashing trade unions. The miners' strike cost £6 billion. We must reverse tax cuts for the rich and invest in worthwhile projects to create jobs. We must use our North sea oil revenues before it is too late.

The Guardian of 15 October made a prophetic statement when it said:

"the next generation will wonder incredulously how it was possible to have earmarked literally not a penny of the oil revenue windfall for modernising Britain's productive capital or infrastructure."

We must invest in the public sector because that will have a major spin-off for the private sector. We must invest in skills and in building up our manufacturing industry.

Lord Weinstock and his friends complain about the decline of the manufacturing industry. Private capitalists are worried about that industry's rundown and the lack of training in skills. They believe that the decline is a hindrance to future wealth. The Prime Minister has not taken that on board. We should expand both manufacturing and service industries. Instead, the Government are imposing cuts on both industries.

We must assist small businesses, to co-ops and municipal enterprises. Under this Government a record number of bankruptcies have occurred. Since 1979, about 55,000 firms have become bankrupt — that is, 26 per day. That is proof of the bankruptcy of the Tory Government's policies. The enterprise boards should be encouraged.

Direct public ownership is at the heart of the economy. Major investment is needed to match our nation's needs for job creation. The selling of our national assets to spivs and speculators is a scandal and should be ended. That is the way to a fairer share-out of wealth and to properly paid work. The Tories, and their second eleven the SDP and Liberal alliance, are incapable of achieving that.

7.57 pm

Mr. John Maples (Lewisham, West): The hon. Member for Leyton (Mr. Cohen) spoke with feeling about the consequences of unemployment and low pay, but I shall not discuss those matters because I want to consider tax reform. I am disappointed that the Bill does not propose a comprehensive reform of personal taxation, but I am encouraged by the prospect of a Green Paper, which will provide the opportunity for a wide-ranging discussion on the options. I understand that the Green Paper will cover the waterfront in terms of personal taxation and that it will not deal simply with personal allowances.

I hope that that Green Paper will deal with the basic options — the substitution of an expenditure tax for income tax, which was analysed in detail by the Meade report. I do not favour that proposal, but it is the only comprehensive alternative. I expect that the Green Paper will deal with what appears to be the preferred policy of the Treasury for raising tax thresholds. I can appreciate the objective, but it seems to be an expensive way of achieving that objective.

In terms of alleviating the poverty trap, the proposition will take out of taxation few families with children. To make a significant impact on the poverty trap, the married man's allowance would have to be about £5,000 a year, which would cost about £11 billion. If we had £11 billion to play with in this game, many other options might be more attractive to the Government and to the electorate.

The concept of broadening the tax base and reducing the rates has been mentioned by several of my hon. Friends. It is worth reflecting on what we are trying to do with the income tax system. We are trying to raise £34 billion in revenue for the Government as cheaply, simply and fairly as possible with the minimum pain to the taxpayer and the maximum fiscal neutrality. For such a system we need a minimum number of exemptions from tax and relatively low marginal rates. At present, the opposite applies. We have a relatively low average rate of tax. It would come as a surprise to most people in Britain to be told that income tax revenue as a proportion of total

personal income is only 14 per cent. That has been so for 30 or 40 years under Governments of all persuasions. The figure has gone up or down by a percentage point or two, but it has remained at its present figure for a long time.

At the same time, the marginal rates are high. The combination of income tax and national insurance contributions for most people accounts for about 39 per cent. of each additional pound that they earn. For those on higher pay, the figure is 60 per cent. The reason is that, because of the plethora of exemptions from taxation, only about the half total personal income is taxed. Some bad consequences flow from the high marginal rates. I shall refer briefly to three of them.

First, we are all concerned to alleviate the poverty trap. Theoretically, it can result in a marginal rate of combined taxation and loss of benefits of about 108 per cent. Of that, 39 per cent. is the combination of income tax and national insurance contributions. It might well be possible to make a more significant impact by reducing that 39 per cent. substantially than by raising tax thresholds to try to create the clear water mentioned by my hon. Friend the Member for Carshalton and Wallington (Mr. Forman).

Secondly, for almost anyone in work in Britain, the marginal rate of tax and national insurance amounts to 39 per cent. of each additional pound that he earns, he keeps only 61p. If he works an hour of overtime for £5, £2 will be taken away. That is a disincentive and represents quite a substantial take out of very average and sometimes very low earnings. At the other end of the scale there are 60 per cent. tax rates. That hits those whom we seek to encourage because we think that they are a vital factor in the creation of wealth. If they earn an extra £5, £3 will be taken away in tax.

Thirdly, I turn to the consequence of high marginal tax rates for pay bargaining. The combination of national insurance contributions and income tax means that it will cost an employer £1·81 to put an extra £1 after tax in an employee's pocket. That represents a significant contribution to industrial costs and a significant barrier to increased net wages. Those elements are all the result of high marginal rates of tax. The high marginal rates are made necessary because about half of personal income is not taxed. The great bulk of that is accounted for by personal allowances which are intended, of course, to exempt people on low incomes from tax. But in reality they exempt everyone else from tax on those parts of their income, so the tax rate that is charged on the balance has to be much higher than it would be if it was paid by those who should pay tax on every pound of their income.

There are also the very politically sensitive subjects of mortgage interest relief and the exemptions from taxation for pension arrangements. They are made necessary largely by the high rates, because those who pay very high rates have demanded exemptions and we have seen an almost self-fulfilling circle. But despite the politically high profile of both of those exemptions—hon. Members on both sides of the House commenting on reducing mortgage tax relief have got into trouble—it is worth, when discussing a Green Paper on the reform of personal taxation, exploring the possibility of people being willing to give up those exemptions in return for a dramatically lower rate of tax. But they will want to know that they will not be worse off. If one asks people whether they are prepared to see their pension arrangements taxed differently, they will say that they are not, but if one asks them whether they are prepared to see those arrangements taxed differently together with a reduction in the basic rate of tax from, say, 30 per cent. to 10 per cent., they may well agree. The tax structure could be dramatically different if we were prepared to do that.

Rough calculations show that a basic rate of tax at 10 per cent. charged on every pound of income up to average earnings, a 20 per cent. rate of tax from average earnings to twice average earnings, and thereafter a maximum rate of 25 per cent. would produce £2 billion more in income tax revenue than the present system. There are, of course, a few problems associated with that which would have to be dealt with. The very low paid—those who earn less than half of average earnings—would be worse off. But they could be compensated fully at about the cost of that extra £2 billion. I suggest that that should be done through the social security system—through housing benefit or family income supplement—or, if we integrate the tax and benefits systems, that it should be done through that mechanism.

In terms of pensions, the big losers will be the big gainers, because those who obtain the maximum tax benefit from the present taxation regime for pensions are also those who would be the biggest gainers if we cut tax rates to a 10 to 25 per cent. regime rather than a 30 to 60 per cent. regime. Therefore, there is not a lot to be lost. However, there are some other issues that need to be examined. For example, if we changed the tax arrangements, would they increase corporate costs and thereby industrial costs by requiring bigger contributions?

Obviously, it is important to ensure that the present level of private pension provision continues, because if it did not, an immense burden would fall on the social security system.

Mortgages are perhaps the most politically sensitive subject. I calculate roughly that, under this system, most people would be gainers, but there would undoubtedly be some losers and they would again be those on low incomes. However, they could be compensated at a cost of about £600 million. That could be done in a variety of ways, such as by phasing out the present system or by going for some other form of help for particular groups of people, such as those on low incomes, first-time buyers and so on.

If we could solve those problems — which are important but relatively minor in the context of a substantial reform of the personal taxation system—we could get the same revenue from a dramatically lower rate structure. We would have achieved a cheap, simple and fair taxation system with much greater fiscal neutrality than at present. Earlier, I picked out three elements. Of those, the poverty trap would be reduced from a maximum of 108 per cent. to 88 per cent. Incentives would be increased, because the marginal rate for most people would fall from 39 per cent. to 19 per cent., and at the top of the scale it would fall from 60 per cent. to 25 per cent. The effect on pay bargaining would be that the cost of putting £1 net in the average person's pocket would be £1·36 instead of £1·81.

I hope that the Green Paper will evaluate a proposal along those lines so that it could at least be a part of the debate. I think that people would give up their allowances and deductions for a 10 per cent. basic rate and a 25 per cent. maximum rate. It is politically attractive, and its consequences would be very beneficial both socially and economically.

8.5 pm

Sir Brandon Rhys Williams (Kensington): I think that it is generally agreed that Britain has made less progress since the war than many other western industrialised countries. I am sure that the consensus is that this country's tax system is far from ideal and that that is one of the reasons for our lack of progress. I should like to feel that the Bill took a major stride forward in compliance with a long-term strategy for reform of the tax system. There is much that is good in it, but much more could have been done. In particular, the Bill could have done more about the relationship between Britain and the EEC.

Britain's difficulty is that it is still too large, as an economy, to be carried along in a marsupial relationship with one of the other great economies, in the same way as Switzerland is carried along by its relationship with the deutschmark. At the same time, we are too small to constitute a major world economy that can run independent policies and still enjoy the advantages of an economic system of an optimum size, as the Americans and Japanese are able to do.

Thus we have not succeeded in making a success of the sterling area and have not built up a major source of strength through our special relationship with the dollar. Since 1973, we have been a member of the EEC, but we are still not making a real success of our membership. Many people within the Government and outside believe that it is not prudent to become too closely integrated with the EEC. I am reminded of William Blake's saying:

"Prudence is a rich, ugly, old maid courted by Incapacity."

If we continue to sit out every dance and refuse to become too closely involved in the Common Market, we shall not even be rich but just an ugly old maid once the oil has run out. It will then be too late to make the best of our chances under the treaty of Rome.

If we are going to do more about our membership of the EEC, we should be making rapid progress in integrating our tax system with that of the major industrial countries on the continent. Unfortunately the Bill does all too little in that direction. I shall make my points briefly because they could be raised more profitably in Committee. On current account, it is now generally accepted that in the EEC we need to break down the barriers to the movement of trade in goods and services. We are aware of the dangers of resurgent protectionism and we know about the problems of paperwork at the frontiers, which can lead to the holding up of goods, and so on. But our Government should be making positive strides towards putting our VAT and excise duties on the same basis as those taxes in other Common Market countries.

I am not saying that the rates should be identical, or that they should be made identical at once, but we should be making much more progress in our tax systems so that those in business throughout the Common Market operate under the same framework of tax law. We have heard some remarkably good speeches on the reform of personal taxation. We should examine personal taxation and our benefit structure and compare it with the systems of other member states. We are not the most incentive-directed country in the European Community and there is no reason why we should not be. The Government should be setting out to make Britain the place where people want to work because of the incentives and general working conditions. I am sure that I could prove that we could introduce a reform of income tax and social security on a revenue neutral basis which would eliminate many of the incentive problems that we find in the present system of taxation, national insurance and our various forms of benefit.

My hon. Friend the Member for Carshalton and Wallington (Mr. Forman) made an important speech which we shall want to study. I am not certain that I go along with him entirely, because it is my view that we want simultaneous co-ordinated reform and not the integration of tax and social security. However, that is a matter of detail which I shall not go into more deeply at this moment.

In our relationship with the other member states of the Common Market on capital account there is much to be done to create an integrated European market for capital. The interests of the City and Britain as a whole demand that we should move rapidly to the realisation of the ideals of the treaty of Rome for one capital market, one real rate of interest and ultimately one currency for the entire trading zone. If we moved forward towards the integration of the capital market, we would be able to create conditions in which Britain could safely join the European monetary system. As our capital market in London is not yet integrated completely with Frankfurt, we are in doubt whether we can afford to join a currency system which is presently dominated by the deutschmark. The right way to begin is to put the tax structure in which we operate in the capital markets on the same basis in both countries.

I have given some study to the way in which we might amalgamate corporation tax in Britain, Germany and other major Common Market countries. It has to be said that the best way to achieve the amalgamation is to move towards co-ordinated and steady year-by-year reductions in the rate of corporation tax in each of the member states so that ultimately we reach vanishing point. It might be necessary to increase value added tax to provide the necessary revenue as we lose the revenue from corporation tax. That would be a healthier way of drawing money from consumers, which is the purpose of corporation tax, than continuing with corporation tax, which is time-consuming and which helps to divide British businesses from the tax conditions which apply in the Common Market.

I should like also to see a reduction of frictional taxes on the creation of an integrated market for capital. I am speaking about further reductions or the elimination of the stamp duties. It is strange that a Government who are devoted to the success of free enterprise capitalism are still allowing taxes to continue which damage the market for capital in the way that stamp duties do.

Our capital gains tax, too, is still a tax on inflationary gain much more than a tax on real profit achieved through increasing the value of capital. I was disappointed to hear my right hon. and learned Friend the Chief Secretary say that the Treasury could not allow full indexation in the calculation of capital gains tax because of the loss of revenue that would ensue. My right hon. and learned Friend chose to use an extraordinary word. If we are taxing capital we cannot call the proceeds revenue. That would be possible only in an extremely muddled world. The Treasury should do more to distinguish between capital account and revenue account. My right hon. and learned Friend seemed to be adopting the argument of the alcoholic who says that he cannot give up beer because he cannot lose the income from the returns on the empties.

We cannot continue damaging our capitalist society by taking money away from private capital through capital gains tax on purely inflationary gains.

Britain must be the part of the EEC where it is most desirable to save capital, to hold capital, to deal in capital and to invest capital in the confidence that in Britain the investor can make ambitious long-term decisions with the greatest likelihood of those decisions proving profitable and right.

I promised to speak briefly, Mr. Deputy Speaker, so I shall conclude by making two minor recommendations which, if accepted, would have important long-term consequences. They arise from the ready availability of indexed Government securities. First, we should allow the purchaser of an indexed annuity to claim the same tax exemption as if the annuity increased on a stated arithmetical formula year by year. I am informed that one can buy annuities which increase by 3 per cent., 5 per cent., 7 per cent. or 10 per cent. per annum as a way of protecting oneself from depreciation. However, if someone tries to buy an annuity which is linked to the retail price index he will not be able to enjoy the tax advantages which go with annuities in the normal way. We should try to find a new formula which corresponds to the actual changes in the value of money from time to time.

Secondly, I repeat the suggestion which I have made in previous years, which is that companies should be permitted to issue debentures or loan stocks on which payments are variable with the performance of the company and are not attached to a fixed rate of interest. The Government are able to raise money now by issuing indexed stocks, but in the private sector companies are not able to do so and to rank such debentures or loan stocks as a prior charge for the calculation of corporation tax. Such a reform would help to fill a gap in the structure of the capital market. It would enable many firms which are now living from hand to mouth and financing their capital position by bank debt to enter into long-term capital commitments. They are afraid to issue equity and they are not able to issue any other form of long-term capital market instrument.

I have raised these issues in the hope that I shall have the opportunity to pursue them in detail in Committee.

8.16 pm

Mr. Ken Weetch (Ipswich): I shall make only a short contribution to the debate and will direct myself to the fundamentals of the Bill. Its main deficiency is that it does not provide for the expansion of the economy. When the Chancellor of the Exchequer made his Budget statement, he said that it was a Budget for jobs. On that count, the Budget and the Bill are complete misrepresentations. It was not a Budget for jobs and I can find no measures in the Bill that will make any inroads into unemployment and reduce the number on the dole. The Budget and the Bill needed a bold initiative that would put into productive employment those who are out of work but nothing of the sort is likely to happen.

The policy of reflation and expansion would have gone hand in hand with the Government's professed policy of reducing unit costs in British industry. I believe that the many who are unemployed are related directly to the deficiency of demand in the economy. If there is a deficiency of demand and there are many who are unemployed, it means, among other things, that unit costs in British industry must be higher now than if the level of unemployment were lower. The Budget has been a failure on many counts.

The background to our problems could have provided some stimulus to reflation and greater employment. The conditions for reflation are present. Britain has a strong positive balance of payments. We have unused industrial capacity and many are out of work. Those three factors provide the conditions for some form of reflation and economic expansion, but the Chancellor of the Exchequer, who has been described in some quarters as one of our most orthodox Chancellors, is not in the least orthodox. In a major business recession it is the wrong policy to put restraints on public expenditure. It goes in the opposite direction from that which the economy needs.

In my time as a Member, I have listened to 12 Budgets and I have listened to debates on 12 Finance Bills. They have all been aimed at one thing but have all failed. They have failed to stop the industrial degeneration of Britain. They have been aimed at stopping our decline, but we have been declining as an industrial nation since we lost the lead in the industrial revolution. The main reason for that is that our main industrial competitors have been more efficient than we have.

Although the Government point the finger at the fact that British industry is basically uncompetitive, they have the wrong solution to the difficulties. What is needed is a Finance Bill that attempts the long-term restructuring of the British economy, and the long-term aims of the Bill are at fault.

I pinpoint one of the basic problems, and I ask the Chancellor an open question. What will happen to the British economy when the oil runs out? If we did not have this source of revenue, we would almost be in the knacker's yard by now. It is only a matter of time before this pot of gold that we found at the bottom of the garden disappears, and we shall be up against it to pay our way in an increasingly competitive industrial economy.

My next point is my most controversial. In many instances Britain has lost the day in the world of mass cheap manufactures. Many other nations with natural advantages do many of the things better. We did things better 50 or 60 years ago, but the natural advantages have now passed elsewhere. Therefore, the central aim of the Finance Bill should have been to give British industry the push towards high-technology industries, where design and high quality of output would be responsible for penetrating world markets. I do not see this in the Budget either.

It is very disappointing trying to look ahead to see where the British economy is going. How will it create the wealth that we need for a good infrastructure, social services and the rest of the things that have to come out of the increased yield that the economy produces? Unless something radical is done—it cannot be done in this Budget because it is now water under the bridge—and unless the Chancellor reshapes his thinking, the British industrial decline will go on because nothing fundamental is being shaped to put it right. Unless something serious happens and we change our ways, we have a bleak future.

The Prime Minister talks about Victorian values, and I have also heard her talk about how the British economy expanded in Victorian times. However, in those times, we had low industrial costs because we had a cheap food policy. We now have the reverse—a dear food policy because of membership of the EEC. That will continue to

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be a direct cost on manufacturing business. In other words, the Prime Minister may be pointing to Victorian times as the example for expansion, but we are pursuing the wrong policies on manufactures and the cost of food and raw materials for that.

I see no hope in this Budget. Unless there is radical change in the Chancellor's thinking, the British economy will continue to decline.

8.24 pm

Mr. Tim Yeo (Suffolk, South): The hon. Member for Ipswich (Mr. Weetch) criticised the Budget for not dealing with unit costs, but he ignored the fact that, by the reduction in the employers' national insurance contribution, the Budget has reacted directly on industrial costs. He bemoaned the fact that we have not recreated the industrial revolution and kept modern. One of the outstanding success stories in business terms, which is on his doorstep and mine, is the Felixstowe docks. It is planning a major expansion, which is justified by the tremendous switch of business from other ports to Felixstowe, which is the most efficient and rapidly growing container port in Britain and the Common Market. The expansion will create 1,000 permanent jobs in Suffolk, and a large number of additional ones during the construction stage, but the hon. Member for Ipswich is opposing it. He is resisting this tremendous job-creating project, which is building up one of the most efficient companies, and it is left to the Conservative party to see the project through in the face of opposition.

The debate has ranged widely and many interesting angles have been raised. I am sorry that there is not time to follow them up, but rather quixotically I wish to talk about the Finance Bill, which has been said to be boring. Like my right hon. Friend the Member for Guildford (Mr. Howell), I was relieved that it was a rather boring Finance Bill, and that a great many things that might have been in it were not. A number of us share the widespread relief that proposals for changes in the taxation of pensions and in the VAT base are not there.

If we are to try to extend the tax base, the only way to do it is in one major step. It is no good tinkering with adding VAT on to one or two things. We need to have a massive extension of VAT so that, at the same time, there can be massive and discernible tax cuts so that people can see the advantages and the disadvantages side by side. The most interesting aspects of the Budget were dealt with not in this Bill but in the Social Security Bill, and I warmly welcome the fact that at last we have dealt with the reduction of both employers' and employees' national insurance contributions.

There are three aspects on which I shall touch. The first is income tax. It is right that a significant and substantial part of this year's overall reliefs should be granted through national insurance contributions. However, given that we are also dealing with income tax, it is also right that some of the give-away should go in raising tax thresholds. I hope that we shall continue to move ahead on both these fronts.

Let us not stop at what we have done on national insurance contributions this year, because their reduction is by far the most effective way of relieving the state's grip on people on relatively low wages. It is important that we should continue to raise the rate at which low earners have to pay the full rate of national insurance contributions. Most people agree that those on low wages are still paying too much in tax and national insurance contributions, and the more that we can lighten that burden the more we will improve incentives for people to take jobs. That is particularly important for youngsters.

The real interest in the future of income tax will come with the publication of the Green Paper, and I look forward to what my hon. Friend the Financial Secretary will say about that. We should look at the reform of income tax in conjunction with whatever we are to do as a result of the social security review. The two issues are closely intertwined. I hope that eventually this will lead to a unified tax-benefit system. I have no doubt that some of my hon. Friends will go on saying that, as they have done for a number of years, and I shall go on saying it as I have over the couple of years that I have been here. I hope that eventually the plea will not be entirely in vain.

Secondly, I confess to some disappointment with what the Bill proposes on capital gains tax. The improved indexation that it introduces is very welcome, but the basic problem remains that by 1982 the rapid period of inflation had ended and had been reduced by the Government or, as the right hon. Member for South Down (Mr. Powell) might say, by factors which were more reflective of international developments. At any rate, it had fallen to relatively low levels.

Long-term investors, particularly those with long-term holdings in private businesses which they were building up, still pay substantial capital gains tax on gains which have nothing to do with real gains but which are merely the consequence of the high rate of inflation during the 1970s. I urge the Chancellor next year to consider extending indexation back to the early 1970s. By definition, that will help long-term investors. Assets which have been held for at least four years would benefit. The real saving would be for those who held their investments for a considerable period, perhaps eight or 10 years. It is important to give them some relief.

My third point relates to VAT. I must record my great disappointment that the threshold for registration of businesses for VAT purposes remains at such a paltry figure as £19,500. The potential loss of revenue to Customs and Excise would be minuscule if that threshold were substantially increased—I would recommend to at least £50,000 without delay. That would be welcomed by small business men throughout the country.

The burden associated with the filling in of VAT forms, the tedious administration which accompanies that, and the extra record-keeping which is necessary is extremely onerous, and any Government who are really interested in helping small businesses should move in this direction without delay.

If the objection to making this change is our membership of the EEC, we should seek to deal with that within the EEC as soon as possible. It is a phoney objection, because our contribution to the EEC budget is based on a formula which is not directly related to the EEC budget is based on a formula which is not directly related to the VAT collected in this country. However, nothing will do more to diminish the popularity of British membership of the European Community if all it does is increase the £20 million a day which is already spent on buying and storing food which no one in the member countries eats and as a consequence blocks desirable and relatively simple reforms such as the raising of the VAT threshold.

I am happy about the extension of VAT to newspaper advertisements in every respect except one—the effect on charities. The charities VAT reform group was bitterly disappointed that no significant VAT relief was granted this year, particularly as the group made constructive suggestions about specific reliefs which could be granted to charities — for example, those which performed services similar to those performed by local authorities.

The extension of VAT to newspaper advertisements is a considerable extra burden on charities. They are not allowed to advertise on television, and use newspaper advertisements as the main method of fund-raising. The research already carried out by the charities VAT reform group shows that 108 major charities in this country will pay more than £1 million a year in extra VAT on newspaper advertisements. The National Council for Voluntary Organisations wrote to *The Times* on 27 March together with a number of other leading charities, and said:

"The tax on advertising by charities will be infinitely more damaging to the vast majority of voluntary organisations than the modest benefit which will accrue from the Chancellor's concessions".

I urge my right hon. Friend and his Treasury colleagues to think about this further. Nearly all charity advertising is done by reputable charities which carry out valuable work on behalf of the community. Many, such as Oxfam, will be hit for the first time by this new extension of VAT, and others, such as Help the Aged, will suffer a significant increase in their burden. However, with that modest caveat, I am happy to commend this boring Finance Bill to the House.

8.34 pm

Mr. Roger Freeman (Kettering): In the brief time available, I wish to concentrate on capital investment. The background in the Red Book shows that for 1984 total fixed investment was up in real terms by 6·5 per cent. compared with 1983. In 1985, the rate of increase has slowed to 2 per cent., and in the first half of 1986, compared with the first half of 1985, it is estimated that it will slow again to 1 per cent. If anything, that shows a maturing of the normal capital investment cycle.

That is corroborated by the CBI in its evidence to the Treasury and Civil Service Select Committee, where in paragraph 55 it also confirms that the rate of increase of business investment is slowing down in real terms. There is nothing to be ashamed of about the normal operation of the business cycle when it comes to investment, but the Bill must be judged in that context.

I welcome the Bill for what it contains, but I have three suggestions as to what it should contain, if not this year, then next year. Clause 42 provides for the extension of the business expansion scheme to cover research and development schemes. That is right. Clause 54 relates to the depooling of short-life assets, and, although I am concerned about the mechanical operation of the clause, it should be welcomed. Clauses 61 and 62 deal with a shorter depreciation period for patents and know-how. That is a tidying-up operation, and is to be commended. The Chancellor has also retained the scientific research allowance at 100 per cent., and that is also to be welcomed.

That brings me to the three aspects that I should have liked the Bill to contain. Indeed, at a later stage I hope to table amendments to that effect.

First, the introduction of private sector capital into public sector projects is important. The House will know that since the Ryrie rules were promulgated in 1981, governing the way in which private capital can be introduced into public sector projects, there have been no examples, certainly none that I can think of. While I do not quarrel with those rules, I suggest that, possibly through the establishment of a new kind of company and a new kind of tax status, the water industry or local government, which converts waste to steam generation and heat, should be permitted to proceed so that we can test whether a project is able to meet the Ryrie rules to protect the taxpayer and not to enjoy any undue preference because of an implicit or explicit state guarantee. Now is the time to adopt such an approach, particularly in the water industry, because if we do not, water industry charges next year will rise at the same rate as this year. If we can meet some of the capital investment requirements of the water industry through private capital, so much the better.

Secondly, a new clause is required to cover the introduction of industrial revenue bonds, which are widely used in the United States. The theory behind them is simple. If industrial companies building new plant and installing new equipment can satisfy local authorities that they are genuinely creating new jobs, they will be permitted, up to a certain limit—say, £10 million per company and perhaps a total limit for the entire economy of £1 billion—to issue those bonds, interest on which would be tax-free.

The whole purpose of industrial revenue bonds is to cheapen the cost of finance to new companies and to lengthen the maturity of those debentures. Such a move would be helpful. If I am challenged on how we should pay for such a scheme, my opinion is that, when the business expansion scheme is reviewed in a year or two, some of that subsidy should be used. It is running at the rate of at least £50 million a year of revenue forgone because individuals can offset the investment against their marginal rate of tax. Some of that subsidy could be used to introduce industrial revenue bonds, which would meet a different industrial requirement.

There is a fine industrial estate in my own constituency, but it is not an enterprise zone. The introduction of new bonds such as these would definitely help business men on that industrial estate who are seeking to expand their enterprises. If a new clause, tabled at a later stage in the progress of the Bill, is unsuccessful, serious consideration should at least be given to it; but we shall return to that.

We must give serious consideration to research and development partnerships. There are medium-sized companies in Britain which have the fruits of excellent research which are not being exploited, either because they do not have access to sufficient capital—perhaps their debt to equity ratio is far too high—or perhaps the hurdle rate for judging investments is so high that certain projects fall just beneath it, but they would still be justified from a general economic standpoint.

I know of many companies in that position. There could be amendment not only to our tax laws but to our partnership laws. I have in mind the Limited Partnerships Act 1907. If we could amend our partnership laws and tax laws to permit companies to set up partnerships where the limited partners would be institutions investing money, the company would remain the general partner and have the right to exploit commercially the fruits of any further development. We could give the City institutions investing in those partnerships the right to pass through the tax

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benefits upon any expenditure on the research and development projects. Then I believe that we could unlock several projects which at the moment in several companies are unlikely to see the light of day. Therefore, I do not believe that clause 42 goes far enough.

I have talked of the natural investment cycle and the fact that it appears to be slowing down. That is borne out not only by the Government but by the CBI. But the attitude to capital investment at the moment is very good. The profit motive, in which the Government believe, is reflected in the substantially increased levels of profitability. That is good for investment because it gives business men confidence.

Short-term interest rates are far too high. As the CBI pointed out to the Treasury Select Committee, business men believe that those short-term interest rates are kept high—as the right hon. Member for South Down (Mr. Powell) indicated earlier — either for exchange rate reasons or for monetary policy reasons to control the growth in the money supply. Business men believe that those rates will come down soon. That is why the CBI is forecasting 4 per cent. growth in real terms in the GDP this year, and why capital investment is still rising in real terms. Nevertheless, the overall level of capital investment, particularly in the private sector — we understand the reasons for its restraint in the public sector —is still too low.

I have referred briefly to why and how in the public sector we can increase the level of expenditure on public sector projects by introducing private sector capital. In the private manufacturing sector, I have indicated how, through the introduction of industrial revenue bonds, we can bring in new sources of finance and enable companies to borrow long-term at, I hope, a lower fixed rate of interest.

In research and development, I have illustrated how certain projects are being missed and how, if we amend our tax laws, we can permit the introduction of limited partnerships. I hope that those are constructive propositions. I greatly welcome the Bill.

8.43 pm

Mrs. Edwina Currie (Derbyshire, South): I have previously had the opportunity, during the Budget debate, to speak on some of the general economic issues. Therefore, like my hon. Friend the Member for Suffolk, South (Mr. Yeo) I should like to concentrate on the Bill, and in particular on chapter II, on the implementation of volume 1 of the Keith committee report.

My interest in VAT arose when local traders started to tell me about the problems they were having with the VAT man. I will quote from a typical letter which arrived in September. My constituent wrote to me saying:

"At the moment I am being hounded by the Customs and Excise (VAT) Office in Derby for £465. My wife has had two visits from, we presume, the Bailiff working for them. As I am out at work all day and into the evening, trying quietly to earn a 'crust', and they, presumably don't work after five, they are unable to call when I am at home, so my wife gets all the 'flak' which is flying about.

I have every intention of paying this amount (I'm not going to 'skip' the Country), as soon as I have the money in the bank to do so. I am sorry if this amount is upsetting Nigel Lawson's balance of payments deficit, but I am trying to do something about it. I am at my overdraft limit and the bank will not give me any more money, neither do I wish to increase my overdraft in excess of the present amount, as the interest rates are crippling anyway."

That was back in September and they are a bit higher now.

"If I took up the profession of Sculptor to knock a 'heap' of horse manure into shape, I would be able to get a grant from the Arts Council and would never again have to worry about VAT, but as I am a service industry, I can't."

We cannot have that sort of thing in south Derbyshire, so I wrote to the VAT man and received a reply that indicated that my constituent, in common with a fair number of my constituents, is sending his VAT return in late; indeed, his returns have been late seven times since August 1982.

I then sent off another letter concerning a constituent who was also complaining bitterly about being hounded by the VAT man. The reply said that in the case of that gentleman

"no returns have been rendered at all since June 1980. We might well have prosecuted some time ago for failure to render returns but we have not yet done so. One of my staff visited him in early 1981 to attempt to establish the tax due but found that he was unable to reconcile even those periods up to June 1980 for which your constituent had rendered returns."

At that point I thought that there was something to be investigated, and I have to thank Mr. E.N. Taylor, the east midlands collector at Nottingham and his staff, for the painstaking efforts that they made in taking this particularly ignorant Member of Parliament through the intricacies of VAT, and particularly the things that all our constituents get up to.

I should like in passing to pay tribute to the Customs and Excise staff. We should recognise how fortunate we are to have honourable, decent, painstaking men and women such as them. We take it so readily for granted that they do their job in an incorruptible way. There are very few countries in which one can begin to assume that.

Mr. Taylor said to me, "Take a look at the Keith committee report. If that is implemented—especially the part dealing with automatic penalties—our job will be a lot easier. We shall be able to do our job better, recover more money for you, keep the tax base narrow, and not widen it to include more items".

I cannot confess to having read all three volumes of the Keith committee report, but I have read the first volume, which shows an alarming state of affairs. Paragraph 3.1.13 says:

"the Department estimated for us that the scale of delays in paying VAT during the middle of 1982 meant that on average and at any one time some £1,700 million of tax was outstanding beyond the due date."

The paragraph goes on to say:

"in normal years, with the current structure and rates of tax, the average amount of tax outstanding after due date is some £1,000 million. At an interest rate of 10 per cent. this is equivalent to an interest free unsecured loan to VAT traders worth £100 million per annum."

My hon. Friend the Member for Brentford and Isleworth (Mr. Hayhoe) said in this House on 21 March that the figure outstanding was now £1,200 million, which suggests that we have a much improved situation. Certainly the letters from constituents suggest that the VAT man in Derby has been working overtime. Therefore, perhaps in many cases the powers were there all the time and were not used in the way that they should have been.

In the past year matters have come to a head and action has had to be taken. Two out of five VAT inspector visits now find under-declarations. It is estimated that in

1984-85 £390 million was under-declared and only £7 million was over-declared, so the ratio of errors in favour of the payer has been about 55:1.

For 12 years the 1·5 million registered businesses in Britain have had a comparatively easy ride for the payment of VAT. They collect the money from customers, they put it in their own accounts and they fail to account for it separately. They treat is as an interest-free loan to the company and they get very cross when the VAT man does his job, as if he were some latter-day pirate. At the same time they are often asking for Government assistance. They should ask where all that money is supposed to come from.

VAT is the most unpopular tax of all and it is uniquely difficult for small businesses to deal with. I believe that is was Edmund Burke who said:

"To tax and to please is not given to men".

I suspect that it is not given to women either. A public relations task of some magnitude is now required; otherwise many small businesses will not know what has hit them when the Keith committee report is implemented through this Bill. We have to get it across to business men that they have no choice about paying VAT. They are wrong to treat is as a profits tax which is only to be payable when the company is in funds. They are wrong to argue about one assessment while forgetting that others are accruing under their noses. They are wrong to react in a hurt and bewildered way when they are duly pulled up. The VAT man is doing a job on behalf of us all.

The question of who pays VAT and who does not requires continuing and serious discussion. My hon. Friend the Member for Suffolk, South (Mr. Yeo) raised that matter. At what level should the threshold be fixed, and what are its economic effects at different levels? My hon. Friend said that the threshold should be as high as possible, and we would all support that. No one likes paying tax. It would minimise bureaucracy and assist small businesses, especially those starting up. However, another point of view is put forward by the Building Employers Confederation, which is that the threshold should be at zero. The idea is that everyone will pay, which will reduce the opportunities for cowboys and will be fairer. I suspect that the confederation's confidence in such a change is misplaced because if would certainly increase the black economy, and simply push the threshold effectively to a point at which one either declares for VAT or does not delcare.

I congratulate my right hon. Friend the Chancellor of the Exchequer on managing to take both lines at once. He took the second line of a zero threshold with VAT on building last year, and the first line of raising the threshold overall in this Bill. He has managed to get the matter right, effectively facing both ways at the same time. If we can keep tax income down in that sort of way, there will also be continued pressure to keep public expenditure down. That is an outcome devoutly to be wished.

Overall, I welcome the changes, and hope that after some consideration my slow-paying small business people in south Derbyshire, who work extremely hard to pay the money that they earn, will also welcome them eventually. I look forward to the detailed discussion of these clauses in Committee. I hope that the Chancellor will bear in mind that VAT is a considerable burden, particularly on small businesses which we very much wish to encourage.

8.51 pm

Mr. Robert Jackson (Wantage): This is the third year of the operation of the business expansion scheme, and it is likely to be a key year which will make or break the scheme. Whether the scheme is to be a significat new development in the market for venture capital will be established by what happens this year.

This third year is so important because it is now that a pattern of interest, or lack of interest, of potential investors through the BES will be consolidated and established. In 1983, its first year, there was a great deal of interest in the BES, but last year, its second year, there was a considerable decrease as investors waited to see how the efforts made in the first year paid off. This year must see a substantial increase in last year's performance if the pattern of the BES is to be one of expansion rather than of contraction and decline after a promising beginning.

I fear, however, that the Finance Bill does not recognise the strategic significance of this year in the development of the BES. I regret that the Bill does not advance new proposals to make BES more attractive. It is a mistake to wait for a review and to overlook the psychological significance of this year.

Mr. Freeman: I know that my hon. Friend is pressed for time, and I am grateful to him for giving way. Does he agree that one helpful amendment to the business expansion scheme may be to permit investors to enter some sort of small business investment company to enable them to attract tax relief at the moment of investment?

Mr. Jackson: I thank my hon. Friend for his suggestion. It is one of many that can be made about the improvement of the BES. I shall refer briefly to it during my speech.

Before I say a few words about such specific measures which may help the scheme, it is worth reminding ourselves why the scheme is so important and deserving of the high hopes which the Government placed in it at its launch. During the past 40 years, since Governments first began to assume a wider responsibility for the overall performance of the economy, successive Administrations have wrestled with the problem of how best to encourage high-risk investment. Historically, the trend has been for Governments to become less confident, in the light of their experience, of their ability to pick winners and to finance them by the direct provision of capital for investment. That has been the case in Britain and, as my right hon. Friend the Member for Guildford (Mr. Howell) pointed out, in other countries, such as France.

This is why we have decided to look at another approach, which seeks to encourage high-risk investment, not only directly but also indirectly—not only by the direct application of taxpayers' money under Government management, but by its indirect application under the management of individual taxpayers or their agents. That is the underlying philosophy of the BES. It is a good philosophy, but it needs to be followed through with greater vigour than is envisaged in this Finance Bill.

If taxpayers' money is to be applied, whether directly or indirectly, it should of course only be applied under careful control. But it is precisely the character and degree of control that is inescapable in the activities of Government Departments in our sort of parliamentary democracy, which has made them such unsatisfactory agents for direct risk-bearing innovative investment. I fear

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that the character of the control which the Government, through the Inland Revenue, are attempting to apply to their indirect support for risk-taking investments through the BES, may stultify the Government's efforts to promote such investment.

It would be churlish not to recognise the limited positive proposals for improvement in the BES in the Finance Bill. I also welcome the proposal to remove investment in property developments as a qualifying object for BES investment. Obviously, it is right that when the Government provide tax relief to encourage economically worthwhile risk-bearing investments, they should do so only for that limited class of investments.

I do not quarrel with that approach to the control and direction of such publicly supported investments. I am worried, however, about the effect on the BES of other controls and restrictions which are a serious impediment to investment through the scheme.

The details of these restrictions may be dealt with in Committee and I note the suggestion of my hon. Friend the Member for Kettering (Mr. Freeman). Many details need to be considered, and I hope that we shall have the opportunity to do so. I shall cite briefly one of those restrictions which has been operating to our disadvantage and which may be one of the most important of them. It is a requirement of the BES that the investor cannot make his claim for relief at the time of making the investment. Simply to provide the Inland Revenue with an assurance that the money is being genuinely invested in BES, and within a reasonable period, the investor must wait for his relief until after the investment has been made. This has been found to be a serious restriction on the interest that investors have in investing through approved funds under the BES.

We need to reconsider that and to find other ways of dealing with the problem. The experience of the first two years of the BES shows that that and other restrictions have a discouraging effect—for example, restrictions on the deferment of the investment until after the commencement of trade, on the disposal of shares within the five-year period, on dealings in securities at the time of disposal, and restrictions affecting investment in overseas subsidiaries and in minority shareholdings in subsidiaries or sub-subsidiaries. Royalty income has been dealt with in the proposals but we need to look further and deeper at that also. All these represent a serious impediment to investment in business expansion scheme funds, and we must ask whether those restrictions are necessary. Could their object be met in other, perhaps looser but certainly less destructive, ways?

I repeat that we cannot wait for the review because this is a year which will determine whether the business expansion scheme will turn out to be something that will develop and improve in future, or fall back and decline from its worthwhile and useful early beginnings.

Those are serious questions about the working of one of the most important, if not one of the most expensive, policies that the Government are pursuing in the industrial field. A great deal of cost is attached to direct support for investment in the public sector by Government but we must look at the potential for growth in the private sector. The hon. Member for Ipswich (Mr. Weetch) referred to the need to invest in high technology and the way to do that is through such instruments as this scheme.

I welcome the overall thrust of the Budget but I regret that its thrust does not go far enough in respect of the business expansion scheme.

8.59 pm

Mr. Terry Davis (Birmingham, Hodge Hill): The most significant feature of the debate and the most succinct comment that can be made on the Bill is that hardly anyone on the Government Benches has referred to the Bill. The right hon. Member for Worthing (Mr. Higgins) came to the Bill in the last sentence of his speech, only to describe it as unexciting. The hon. Member for Horsham (Mr. Hordern) dealt with the Bill in his first sentence when he described it as dull and then proceeded to discuss monetary policy and the Government's errors in that area.

After describing the Bill as boring, the hon. Member for Suffolk, South (Mr. Yeo), like the hon. Member for Kettering (Mr. Freeman), told us that he would correct the balance and promised to talk about the Bill. But I had the impression that they both proceeded to spend most of their time complaining about what is not in the Bill. I think that *Hansard* will show that the hon. Member for Suffolk, South had more to say about the Felixstowe and Railway Dock Bill than the Finance Bill.

The hon. Member for Wantage (Mr. Jackson) made an interesting speech but he discussed the difficulties of the business expansion scheme rather than the contents of even that one clause of the Bill. The right hon. Members for South Down (Mr. Powell) and for Guildford (Mr. Howell) did not mention the Bill at all.

The hon. Member for Mid-Norfolk (Mr. Ryder) treated us to a carefully prepared analysis of speeches made by the leaders of the Liberal and Social Democratic parties and the differences between them, but he did not even mention the words "Finance Bill". His speech drew a predictable response from the hon. Member for Stockton, South (Mr. Wrigglesworth). I shall deny myself the pleasure of commenting on that speech. In particular, I shall not stoop low enough to reply to an accusation of deception from someone who stands as a candidate for one party at a general election and then, having been elected as a candidate for that party, joins a different party and sits in this House wearing different colours without submitting himself to the judgment of the electorate. If that is not deception, I do not know what is.

The hon. Member for Hertfordshire, South-West (Mr. Page) did talk about the Bill, but he began by referring to the Government's estimate of the increase in the number of people in work. He claimed as a statement of fact that 500,000 more people are in work than were in employment two years ago. I shall not go into detail again because I dealt with those phoney figures in the Budget debate on 25 March. I simply remind the House that the Government's figures for the number of people in work have been adjusted by a total of 580,000 for assumed—I emphasise that word—new jobs. I add simply that, as I understand it, the only change since I explained those figures on 25 March has been that the Government have now admitted that one reason that they contain a bigger increase in the number in work since March 1983 is that they have revised downwards the figures for March 1983.

In other words, the Government now admit that fewer people were in work in March 1983, at general election time, than they previously claimed. They exaggerated the number of people in work in March 1983, and we are now asked to believe, on the basis of their new, estimated,

revised and adjusted figures for September 1984, which incidentally they have just increased, that there has been an even bigger increase than they had previously claimed in the number of new jobs created. The Government's figures for the number of new jobs arising in the past two years have been revised and adjusted so often that they are simply incredible. However, even on the Government's own figures, 1 million fewer people are in work today, counting employed and self-employed people together, than were in work when the Government were elected in 1979.

The hon. Members for Kensington (Sir B. Rhys Williams), for Lewisham, West (Mr. Maples), and for Carshalton and Wallington (Mr. Forman) also began by praising the Bill. At any rate, they genuflected in that direction. However, they then went on to discuss what one of them called the missed opportunity for genuine reform of the tax-benefit system. In typically thoughtful speeches, all three hon. Gentlemen described their own ideas and the changes that they would suggest, but they were handicapped by the lack of hard informaton about the Green Paper on taxation—what we might call the Green Paper mark 2. The Chief Secretary's decision to leave it to the Financial Secretary to deal with that subject in his reply to the debate does not augur well for the full, open and public debate that will be needed if the Government are interested—this may be a vain hope—in obtaining agreement between both sides of the House about the structure of the personal tax system. How can the Financial Secretary reply to speeches about the Green Paper when no one can comment on the ideas, proposals or arrangements about which we have not been told? The Chief Secretary should have revealed whatever the Financial Secretary is about to tell us. It is an abuse of the wind-up speech to use it for an announcement of the Government's intentions.

The Chief Secretary did deal with the Finance Bill at length. In fact, he scarcely dealt with anything else. That was remarkable in itself. I cannot remember ever having heard such a speech from the Chief Secretary. He carefully avoided giving any carefully selected statistics designed to show that the British economy has never been in better health. I do not know whether I prefer low-key, defensive speeches such as today's or the more offensive—in the sense of aggressive—speeches that we have come to expect from the Chief Secretary. I am perhaps more worried when he is defensive because I wonder what he knows that we do not know. I wonder what bad news may be around the corner. Perhaps I am wrong, and the Chief Secretary is not so much worried as relaxed. In that case, I am even more concerned because those who live and work in this country—or who do not work because they cannot find work—cannot afford to share the Chief Secretary's relaxed attitude.

Although the Chief Secretary's speech was notable for the lack of statistics, he repeated one figure from the Budget debate. It was the one figure that never fails to appear in speeches by the Chief Secretary at this time of year—the figure for the number of people taken out of tax. According to the Chief Secretary, the Finance Bill "takes a further 800,000 people out of tax altogether". Let us set aside the fact that those people are not taken out of tax altogether. They are still required to pay national insurance contributions and the indirect taxes such as VAT that have been increased or extended in scope by almost every Budget or Finance Bill introduced by the present Government. But let us take the Chief Secretary's phrase about people being taken out of tax as meaning that those people are no longer liable to pay income tax and consider his claim that, this year, as a result of this Bill, 800,000 people will no longer be liable to pay income tax.

At first sight, that seems an impressive figure. Of course, it is less impressive than last year's figure as we were told then that 850,000 people would no longer be liable to pay income tax, and it is much less impressive than the year before when the figure was 1·25 million, or the year before that, when it was 1·2 million. That takes us back to 1981, the year when nobody was taken out of tax because the Government did not change personal allowances but went back on all their promises and fine words about the Rooker-Wise amendment. The year before that—1980—was a bumper year, when the Chief Secretary boasted of taking 1·3 million people out of income tax. The figure was the same in 1979 after the general election. If we take all of those years, we find that the Government have claimed to have taken a grand total of nearly 7 million people out of income tax.

Sir William Clark: That is silly.

Mr. Davis: The hon. Member for Croydon, South (Sir W. Clark), the chairman of the Conservative Back Bench committee, has, with his usual quick wit and perspicacity, realised that the figure is bogus. Each year, the Chancellor claimed to have taken thousands of people out of tax, when most of them were the same people whom he had claimed to have taken out of tax the year before. As taxpayers, those people lead a yo-yo existence. The Chief Secretary raises the tax thresholds so that they are not liable to income tax, but their next wage increase puts them just over the threshold, thus enabling the Chief Secretary to take them out of tax again the next year and to claim the credit all over again.

I must be fair to the Chief Secretary and the Government. I accept that fewer people are paying income tax today than six years ago, but they are 2 million fewer rather than 7 million. A table in the Inland Revenue's statistics shows that the number paying income tax has gone down from 26 million to 24 million. That 2 million is a figure that my right hon. and hon. Friends will recognise, because it is exactly the same as the increase in the number of unemployed. It is no coincidence that, under the Conservative Government, the reduction in the number of taxpayers is exactly the same as the increase in the number of unemployed. To use the phrase of the right hon. Member for South Down, those 2 million people have been put through the monetary mangle.

Those 2 million people would much rather have jobs and pay income tax than sit at home not working and not paying income tax. My hon. Friend the Member for Sheffield, Attercliffe (Mr. Duffy) described those people movingly today. Like my hon. Friend, I never thought that I would see the day when a Christian church would designate an "Unemployment Sunday." As my hon. Friend said, there is no prospect of this year's Finance Bill providing employment opportunities for the unemployed of Sheffield. There are 60,000 such people in that city alone and a further 3·25 million spread throughout the country.

My hon. Friend the Member for Ipswich (Mr. Weetch) reminded us that the Budget is supposed to be a Budget for jobs. Presumably the Government regard the Bill as a

[Mr. Davis]

Bill for jobs. I have gone through it carefully and, like my hon. Friend the Member for Ipswich, have had great difficulty finding anything which can be described as likely to create jobs or encourage their creation. Indeed, one of its earliest clauses seems designed to kill some jobs. Clause 5 changes the taxation on wines so that the tax on blended wines such as vermouth and some sherries is higher if the blending is done in Britain. One employer has already complained to several hon. Members on both sides of the House that the clause has put 50 jobs at risk in one new town. That is a detailed point which we shall discuss in Committee, but let us suppose that the employer is right and the Bill costs 50 jobs in that new town. How does it help those 50 people to obtain new jobs or, if they are to follow the advice of the Prime Minister, how does it help them to become self-employed?

The Chief Secretary claimed that the Bill is evidence of what he called the Government's increasing concern for the self-employed.

Mr. Peter Rees: Continuing.

Mr. Davis: The Government's concern is not increasing but continuing at its previous level.

Let us suppose that one of these newly unemployed people decides to become self-employed and sets up in business repairing television sets or engages in a similar small enterprise. What is the first provision in the Bill that he finds affecting his new enterprise? He will find that he is taxed when he was not taxed before. Anyone setting up that sort of business will traditionally obtain customers by advertising in his local newspaper. Now, for the first time, he will pay value added tax on his advertisement.

My right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) commented on the effect of this extension of VAT on local newspapers. My right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) drew attention to its effect on families. The hon. Member for Suffolk, South referred to charities.

Sir William Clark *rose*——

Mr. Davis: The hon. Member for Croydon, South has been notable during the debate by his absence from the Chamber. Throughout most of the debate he has not been present. However, for personal reasons, I shall give way to him.

Sir William Clark: If anyone sets up a new business and advertises, he pays VAT. But no doubt he has sales. He pays VAT on his advertising, but he can set off that against the VAT on his sales.

Mr. Davis: That occurs only when he is registered. I am talking about someone setting up in business for the first time as a small trader. He will not be registered immediately. He will not be able to set off the tax that he pays against the tax which he collects. The very small business man with a turnover which is too low, as the hon. Member for Derbyshire, South (Mrs. Currie) explained, will see an increase in his real costs. If he expands, as we hope he does, and is registered for VAT, he looks further in the Bill and comes to clauses 11 to 32 and two of the schedules, covering a total of 36 pages in the Bill, which provide for the implementation of the Keith report.

The Opposition hold no brief for people who escape paying over to the Treasury the money which in effect they have collected through the VAT which has been charged on their invoices. But is it really necessary to go into this much detail, with 36 pages of a Bill, to collect that money and to provide proper enforcement powers for the Customs and Excise? We shall deal with that in Committee. Meantime, I can tell the hon. Member for Derbyshire, South that the experiences of her constituent are as nothing compared with what will happen if this chapter is enacted. It is obviously a complicated tax, as the hon. Lady's speech showed in a way that she did not realise, and we shall certainly be looking at it.

This new business man who has lost his job as a result of clause 5 and is managing, through his own efforts, to flourish will also be charged national insurance contributions as a self-employed person. No doubt he will come to clause 40, which is one of those recommended to the House by the Chief Secretary. Our new small business man will soon find out that, when he is making £100 a week, he is only 19p a week better off as a result of clause 40. Anyone making £200 a week will be £1·14 a week better off. Someone doing rather better and who is now making £265 a week will receive £1·70 as a result of clause 40. That person is receiving the full amount of £90 a year.

Our new business man will say, "Why should I do it this way? Why have the Government decided to give me tax relief on my class 4 contributions instead of simply reducing the rate of class 4 contributions? Why should I lose cash flow? Why should I be able to get it back only when I settle my income tax? Why should I incur all the additional paperwork which otherwise as a small business man I should not have to incur, because I shall have to include this in my tax return?" If the rate of national insurance contributions for that person were reduced, the position would be much more straightforward and, of course, it would require less paperwork by the Inland Revenue and fewer staff to administer it.

Why not simply reduce the rate? I can explain it to that new small business man. The reason why the Government have chose the most complicated way possible to reduce class 4 contributions is that in that way, just as with any change in tax allowances, they can give more money to the higher paid taxpayer. The person earning more than £45,000 a year and paying the highest rate of tax receives not £90 but £180 a week as a result of this measure. That is one way of ensuring that people on the highest incomes receive more, instead of the people on the lowest incomes.

Mr. John Powley (Norwich, South): Will the hon. Gentleman give way?

Mr. Davis: The hon. Gentleman has not been present at all for the debate.

Mr. Powley: The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) will confirm that I was present. I listened intently to what was said. I apologise for the fact that I have not been present for the whole of the debate.

It has been my experience as a small business man during the past 24 years that the burden imposed on small businesses has been onerous under successive Labour Governments but that burden has been eased—although not completely removed—under successive Conservative Governments. The hon. Gentleman should remember that the burden of the national insurance surcharge was

imposed on small business men and that acted as a disincentive to jobs. The selective employment tax imposed a further burden on people in small business.

Mr. Davis: That sounded more like a speech than an intervention. It was the speech that the hon. Gentleman could have made if he had taken the trouble to be in the Chamber and had tried to catch your eye, Mr. Deputy Speaker. The answer to the hon. Gentleman's point is that I am not surprised that he remained a small business man.

A whole chapter in the Bill is devoted to the capital gains tax. The Bill refers to a series of changes designed not to tighten up the administration of this tax, like VAT, but to make life easier for people with capital gains of £5,900 a year at a cost to other taxpayers of £155 million a year. I assume that that is one of the points that the Chief Secretary described as being "of interest and imagination." In fact, the Government are using this measure to encourage the return of what is known as bed and breakfasting. This refers not to the type of bed and breakfast arrangements to which increasing numbers of homeless and unemployed young people are being driven —young people being turned into tramps by the social security regulations which came into effect today—but to the arrangement by which people with large shareholdings can reduce their liability to capital gains tax and take themselves out of tax by engaging in paper transactions that have as much real existence as that half a million jobs which the Government claim have been provided during the past two years.

That is the point of the Finance Bill — many little extras for people who are wealthy and little or nothing for people who struggle to make ends meet, the people described by my hon. Friends the Members for Leyton (Mr. Cohen) and for Liverpool, West Derby (Mr. Wareing).

The Bill, like the Budget that it represents, is totally inadequate and almost wholly irrelevant to the problems of unemployment and poverty. The Labour party will therefore vote against it.

9.23 pm

The Financial Secretary to the Treasury (Mr. John Moore): I start by joining my right hon. and learned Friend the Chief Secretary in welcoming the report by the Treasury and Civil Service Committee. We have heard two noteworthy contributions — by the Committee's Chairman, my right hon. Friend the Member for Worthing (Mr. Higgins), and by my hon. Friend the Member for Kettering (Mr. Freeman). I know that my right hon. Friend the Member for Worthing will understand when I say that, as we shall be responding later to the Committee's report, it will be more relevant to note his points then.

I should like to touch on one important point which my right hon. Friend the Member for Worthing made in his speech and which was covered in the Committee's report. The report is wrong in its comments on an aspect of fiscal adjustment. The report states that the forecast of a £1·5 billion fiscal adjustment in last year's "Autumn Statement" was not "properly qualified". The text of the "Autumn Statement" stressed the uncertainty of the estimate, as did the Chancellor's autumn statement. The other two instances quoted in the report are my speech to the Sun Life Assurance conference and the Chancellor's *Sunday Times* article which also—I stress this point—qualified the forecast. I have the relevant references. It is right to point out that the qualifications were significant.

My right hon. Friend the Member for Guildford (Mr. Howell) drew attention to the fact that the PSBR, and hence the fiscal adjustment, is the difference between two large numbers. The gross flows on each side of the account approach £200 billion a year. Therefore, a small error in expenditure or revenue, or in both, results in a substantial error in the PSBR.

The average absolute margin of error around the PSBR forecast made in the autumn for a subsequent year is plus or minus £4·5 billion. That is comparable in size to, if not larger than, the comparable fiscal adjustment, so the publication of the potential fiscal adjustment in the autumn cannot commit the Chancellor to a course of action in the spring, because that must be a matter for judgment at the appropriate time.

My right hon. Friend the Member for Guildford gave us a perceptive overview of the many problems on the world trading and economic scene. I particularly appreciated his comments about tax reductions and wider share ownership. He and the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) mentioned the loi Monory. This is probably not the moment to go into that, but the hon. Member and my right hon. Friend have both shown a commitment, which we share, towards wider share ownership. I particularly welcome that.

Mr. Hattersley: Many Opposition Members would welcome the Financial Secretary's comments on the grotesque imprecision of the public sector borrowing requirement calculation. As the imprecision is so huge, how can the Government base so much of their planning on a precise forecast of the PSBR? As it is so huge, why cannot another £2 billion—half the margin of error—be used to stimulate employment?

Mr. Moore: I am surprised that the right hon. Gentleman has only just discovered that such forecasts are hedged with, shall we say, warnings. The right hon. Gentleman should have noted that in the autumn statement and most other speeches on the subject.

My right hon. Friends the Members for Guildford and for Worthing and the hon. Member for Sheffield, Attercliffe (Mr. Duffy) stressed the importance of the Bonn summit. I will draw the attention of my right hon. Friend the Prime Minister to what has been said on that subject.

With typical courtesy, the right hon. Member for South Down (Mr. Powell) had already written to my right hon. Friend the Chancellor of the Exchequer on the point that he elaborated today. It seemed that there were two aspects —the substance and the inflationary financing. I should like to cover them briefly. If the hon. Gentleman wishes, I could come back to them, but perhaps we shall not wish to spend too much time on them. My hon. Friend the Member for Horsham (Mr. Hordern) and one or two other hon. Members are far more erudite than I on this subject, but the right hon. Member for South Down made some important points.

The right hon. Gentleman asked why we would not make faster progress towards zero inflation. The speed at which we get the economy to zero inflation is a matter of judgment. If we go too fast, expectations may not adjust quickly enough and we shall get unacceptable transitional costs. However, the 3 per cent. inflation assumed for 1988-89 is a substantial step down from the 5 per cent. expected for 1985-86.

[Mr. Moore]

The right hon. Gentleman's measure of inflationary financing — he rightly said that it is difficult to be precise in some of these figures—showed only part of the story. In 1984, the inflationary impact of increased nationalised industry borrowing from banks was more than offset by additional sales of gilts to the rest of the private sector. As a result, the overall public sector contribution to monetary growth in 1984 was not expansionary by £1·3 billion, but contractionary by just under £1 billion.

The figures showing the public sector contribution to the growth of sterling M3 on the conventional definition — I have the conventional definition and comparisons and I had better put them into a letter for the right hon. Member for South Down — can be derived from the Central Statistical Office publication "Financial Statistics". The Government have no intention of financing themselves in an inflationary way by borrowing from the banks and printing money. The commitment to broad targets and narrow money guarantees that inflationary pressures from elsewhere will not undermine counter-inflationary objectives.

Mr. J. Enoch Powell: The essential answer that the Financial Secretary is giving is that the Government are engineering a deliberate downward movement in the rate of inflation. I am still not clear about the instrument and the delicacy of the instrument which enables them to proceed by 1 per cent. or 0·5 per cent. annual steps on that downward path.

Mr. Moore: The right hon. Gentleman is correct in his assessment as to the degree to which the Government feel that the pace and pattern and the degree to which they are achieving their objectives are different from what some might wish. The debate on the instruments used for fine tuning might be better held at some other time. I know that my right hon. Friend the Chancellor of the Exchequer will be more than happy to address himself to the issue.

In general, the Finance Bill proposes little change in oil taxation, thus helping to create the type of fiscal stability which is welcome to the oil industry at present. There is one aspect of the few minor changes being introduced that has caused some interest. It relates to our proposal to withdraw immediate petroleum revenue tax relief for onshore exploration and appraisal with effect from Budget day 1985.

A number of companies, in particular small British companies operating onshore, have emphasised the extent to which they have made plans and entered into commitments on the basis that that relief would continue as at present. It is the Government's view that the existing immediate PRT relief for onshore expenditure which involves the Exchequer in providing an unnecessary subsidy and distorts the position of companies generally should be removed. We are now satisfied that withdrawing the relief from Budget day this year could create genuine difficulties for companies. We have therefore decided to defer for 12 months the date upon which the revised PRT rules for onshore exploration and appraisal will come into effect.

That will enable those who are or could be affected by the change to revise their plans accordingly. We shall thus be bringing forward in Committee a Government amendment designed to defer the starting date of the onshore change to 1 April 1986.

A great deal of attention has been paid to tax reform throughout the debate. Many right hon. and hon. Members have contributed. Notable was the first contribution of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley). There has been what I thought was only somewhat ill-informed comment outside the House, but it has been added to by the right hon. Gentleman who seemed to think that this year's Budget signalled the end of the Government's tax reforming intentions. I hope that I can reassure my hon. Friends the Members for Horsham and for Carshalton and Wallington (Mr. Forman), who made a speech that would merit reading by all hon. Members, that nothing could be further from the truth than to suggest that the Government's tax reforming intentions are over.

The Finance Bill continues provisions that will abolish one tax, and radically reform two others, and a number of measures designed to stop tax losses through artificial avoidance and improve the efficiency with which tax is collected. My hon. Friend the Member for Kettering, in his short but notable contribution, drew our attention to the way in which a chunk of the Finance Bill, which has not yet merited the attention of the House on Second Reading, although it has been noted by outside commentators, continues in clauses 52 to 63 the major pattern of reform of the Income and Corporation Taxes Act 1970. Those clauses introduce a major change to short-life assessment which has been broadly welcomed by both sides of the House and by industry. It was a significant feature of the tax reforming Budget.

The Bill contains several reforms. Clause 87 abolishes development land tax, which was welcomed by my hon. Friend the Member for Hertfordshire, South-West (Mr. Page). This is the third tax which the Government have abolished in the last two years. The tax is costly for the Revenue to collect and for the taxpayer. Abolition will reduce administrative costs for the Revenue, remove a burden from industry and release land for development, thereby benefiting employment in the construction industry.

Reference has been made to clause 64. My hon. Friend the Member for Suffolk, South (Mr. Yeo) wanted us to go further with capital gains tax reform. I remind him that considerable revenue is at stake in the inflationary gains which are not relieved in the pre-1982 period. Clause 64 reforms and simplifies capital gains tax indexation. The indexation provisions will now apply to the first 12 months of ownership of an asset and so will remove from tax any inflationary gains since 1982. The tax will thus only be charged on real gains made on post-1982 acquisitions cost, the tax charge on pre-1982 inflationary gains will be substantially reduced. The proposal to apply indexation to losses as well as gains will meet another longstanding criticism.

The changes will make the tax much fairer. Since the changes enable a form of share pooling to be introduced they will make life simpler for the taxpayer and his advisers. I know that that is hard to believe in view of the complexities involved, but when the reforms are examined in Committee the outside world will understand the reason for the changes.

It is not possible to restore the pooling arrangement in its pre-1982 form since it must take account not only of the indexation relief, but of the provision to base the relief on the March 1982 value of an asset. Our proposals have

been widely welcomed because they represent a valuable simplification in an admittedly complex area of the tax law.

Two other tax reforming clauses have been much welcomed by both sides of the House and the outside world. Clauses 65 and 66 reform capital gains tax retirement relief. That should encourage small business men to pass on their businesses to the younger generation rather than to battle on, perhaps in poor health, because of a tax penalty on retirement. Assets will be passed on to more energetic managment and the market opertion will be improved.

Reference has been made to the large number of clauses —74 to 83—which might be boring but which will be of genuine benefit. The clauses simplify and modernise the ancient stamp duties. The majority of nominal fixed duties will disappear and the administration of the remainder will be simplified. This overhaul provides for the repeal of 13 pages of legislation and reduces by over 40 per cent. the number of documents which require stamping. The associated revenue loss will be less than 2 per cent. of the total yield.

Some reforms in the Budget will make the tax system fairer by preventing artificial avoidance devices and by stopping people exploiting the system to the detriment of taxpayers in general. Every person who gets away with not paying tax by exploiting a loophole in the system increases the burden on the generality of taxpayers.

Clauses 69 to 73 give legislative effect to the action announced in February to bring bond washing to an end. I refer to the avoidance of tax by turning income on fixed interest securities into capital gains which are then taxed at the lower rate, or, if held for 12 months or more, not taxed at all. The measures to stop bond washing will take effect next year and are expected to raise £300 million in a full year.

Clause 45 prevents partnerships from manipulating existing rules of partnership taxation to reduce their tax liability. The change responds to criticisms by the Public Accounts Committee about what happened previously and follows consultation last year. Clause 46 closes loopholes on limited partnerships and is related to clause 45.

The Chief Secretary has dealt with clauses 11 to 30 which make changes in the collection and enforcement of value added tax and are based on recommendations by the Keith committee. I pause only to note them as further examples of Government action to improve compliance and to reform tax collection. I was pleased to note the support of my hon. Friend the Member for Derbyshire, South (Mrs. Currie) for that part of the Bill.

Like many right hon. and hon. Members, I shall look beyond this year's Finance Bill to the Green Paper that will be published later this year on the reform of personal taxation. It will cover several aspects of the development of income tax after computerisation. But the centrepiece will be the proposal for single transferable votes — *[Interruption.]* I should have said the proposal for single transferable allowances. In this House, the last thing that hon. Members forget is votes.

The right hon. Member for Sparkbrook asked whether we were simply repeating another Green Paper. The last Green Paper set out wide-ranging options on the taxation of husbands and wives. We now propose to consult on one key option—fully transferable allowances. Many hon. Members have already welcomed the fact that the forthcoming Green Paper will cover wider issues, such as the possibility of non-accumulation and self-assessment. The idea is that everyone should have the same standard allowance, and married people without enough income to use up their allowance should be able to transfer to their partners the unused balance. Thus the aggregation of the husband's and wife's income for tax purposes would end, and married women would have the privacy and independence that they have a right to expect in tax matters, as elsewhere.

One-earner couples would clearly benefit and the current discrimination against them would end, allowing married women to decide whether to take paid employment or to stay at home, perhaps to bring up children, without the choice being biased one way or another by the tax system. The poverty and unemployment traps would be relieved and future increases in personal allowances would be more effective in reducing the numbers in the traps. Our intention is to phase in the system so that no couples lose in cash terms. With legislation in 1987, the system could be in place by 1990.

Many right hon. and hon. Members have questioned the delay between the publication of the Green Paper and the implementation of the proposals. They have asked why fully transferable votes cannot come in before 1990— *[Interruption.]* I should have said fully transferable funding, and I apologise to the House for repeating that slip twice. However, I am facing the right hon. Member for Sparkbrook, and am obviously obsessed by that subject.

We need to understand what is needed to run a new system. First, the Revenue will need very detailed information which it simply does not have at present about husbands and wives. Secondly, it will need a completely computerised system, allowing it to switch the information from one office to another in order to enable, for example, people changing their employment to allow their spouses to benefit. We need all the necessary information from something in excess of 12 million married couples. That is not only an extremely labour-intensive job, but obviously, the records are currently all on paper. We shall need to have a system that allows those records to be moved quickly, other than in a paper form, from one tax office to another.

The Revenue is in the midst of two major changes. The first is a fundamental reorganisation and change in the overall system of Revenue tax offices. There are more than 600 offices, and those who know something about the Revenue will be well aware of the enormity of that task. Secondly, the Revenue is engaged in the largest computerisation programme in the western world. The records of 28 million taxpayers are being computerised, including the records of 1·1 million employers and of more than 3·5 million of those who are schedule D linked.

Hon. Members will be pleased to know that that programme is running to time and cost. But its completion is an essential feature, because we cannot begin to operate a new fully transferable computerised system with a data transmission network for the computer-based national index until the full range of facilities is in place, in about 1989.

Mr. Kirkwood: Will the Minister give an assurance that in the midst of that substantial reorganisation the Inland Revenue will have the time to contact the DHSS in order to ensure that nothing in the social security review will cut across any of the future options?

Mr. Moore: I can so reassure the hon. Gentleman. The relationships between the two are close. In the meantime, there are actions that the Government can and must take. First, we must produce the Green Paper, which will recommend a series of major changes and will merit full public consultations. Secondly, we must ensure that the computer systems and software are compatible with the computerisation of the Revenue programmes and with the proposals that we shall put in the Green Paper. Thirdly, we must have legislation ready for the changes to be in place in 1987. Fourthly, we must have Revenue ability, once the tax office reorganisation and computerisation programme is over, to collect and prepare the needed data for the new system. That collection should be starting at some time in 1987-88 depending on the pattern that I have outlined. These are some of the crucial reasons why there is a need for consultation and considerable activity before we can introduce the new system.

Mr. Forman: As many hon. Members on both sides of the House are concerned about the possibility of integrating the two systems, does my hon. Friend accept that in terms of the timetable he has outlined it might be useful either to find ways of speeding up the Inland Revenue's timetable or slightly delaying the social security changes that might flow from the forthcoming White Paper? It is important in one way or another to bring the time scales of the two exercises into line.

Mr. Moore: I hear the point that my hon. Friend is making and I shall concern myself with it. My right hon. and hon. Friends and I have considered with great care the time frame surrounding the Revenue's activities in this area. I am as sure as one can be in this world that it is not seeking to create unnecessary delays. I shall consider what my hon. Friend and others have said about integration.

I shall take up another major theme of the debate which featured in the speeches of the right hon. Member for Sparkbrook and the hon. Members for Birmingham, Hodge Hill (Mr. Davis), for Attercliffe, for Ipswich (Mr. Weetch) and for Roxburgh and Berwickshire. The right hon. and hon. Members addressed themselves to jobs and the degree to which they wondered whether the Government were putting sufficient emphasis in the Bill on the need to create employment. They expressed concern about the budgetary strategy in that respect.

The Government's critics on unemployment fall very much into two camps. First, there are those who argue that the way to increase jobs is to increase nominal demand by running a higher level of public borrowing that is accompanied by faster monetary growth. That argument was adopted by the right hon. Member for Sparkbrook and the hon. Member for Roxborough and Berwickshire. It is their diagnosis that the economy is suffering from a lack of nominal demand but that is quite false. The money GDP rose by 7 per cent. last year and it should rise a little faster this year as the economy recovers from the coal strike. I believe that there is no shortage of demand.

The challenge is to convert that growth in nominal demand into real growth and to damp down the inflationary components. This process will not be aided by increasing the overall level of demand. The answer is to concentrate on improving the underlying supply side performance and the competitive position of the economy. Modest increases in nominal demand will then be translated into real demand for domestic goods and services and will not be dissipated into inflation.

The previous Labour Government and other Governments attempted to achieve growth by stimulating demand. When the Labour Government were in office, nominal GDP increased by 125 per cent. but the increase in real output was less than 10 per cent. and the rest was inflation. Every £100-worth of extra demand generated £8 of extra output and £92 of inflation. That is an insidious process. Every extra fix of demand generates more inflation, threatens the competitive position of the economy and reduces its capacity to convert nominal demand into domestically produced goods, services and employment. Last year nominal demand rose by 7 per cent. and within that real GDP increased by 2·5 per cent. That is a considerable improvement in the split between real output and inflation compared with the position that prevailed in the mid and late 1970s. It reflects an improvement in the supply side of the economy, which is the only effective way of generating lasting employment opportunities.

A second group of critics of our policies does not call for reflation but argues that our limited fiscal leeway should have been devoted to increasing public expenditure rather than cutting taxes, and this has been mentioned today. Such critics misunderstand the nature of the job creation process. Their argument is based on the assumption that the employment effects of higher public spending would be greater than from tax cuts. I agree that, initially, public spending could create more jobs than tax cuts, but it depends on the type of expenditure involved. The extra money devoted to increasing public sector employment will increase jobs, but the demand effects on employment from both higher expenditure and tax cuts will be temporary.

Permanent jobs will be created if the supply side performance is improved, as my right hon. friend the Member for Guildford said. Tax cuts will have this effect by increasing the willingness to work and inducing workers to accept lower wage settlements. The supply of labour and its quality will be improved, industrial costs will be reduced and our competitive position enhanced. These will bring lasting improvements to the supply side of the economy and will provide permanent jobs within a competitive economy.

The right hon. Member for Sparkbrook went, in some detail, into a discussion of the relative nature of the tax and national insurance burdens.

Mr. Hattersley: Does the Financial Secretary believe his comments about employment? I ask him the question that I asked the Chief Secretary. Does the Treasury endorse the judgment of the Leader of the House that unemployment will fall before the next election?

Mr. Moore: It is always better to use the precise words that people have used. There is no difference between the views of my right hon. Friend the Leader of the House and that of the Government. So that the right hon. Member for Sparkbrook can share his obvious knowledge of what my right hon. Friend said, I shall read out my right hon. Friend's words. He said:

> "I believe, however, that the underlying strength of the economy will, in time, reverse this situation. That will be the most decisive moment during this Parliament."

I see no way that either I or my right hon. Friend the Chancellor can disagree with that statement.

Mr. Duffy: Are there not some infrastructure arguments—selective, I grant—that would improve the Government's supply side measures?

Mr. Moore: We can always look at legitimate infrastructure problems. When I wound up my contribution to the Budget debate, I addressed in detail the judgment as to the totality, its impact on the overall interest rates and inflation, and the relative performance of Her Majesty's Government in comparison with other Governments in terms of the commitment to the infrastructure, whether it be to roads, sewers, hospitals or prisons. I went into the matter in some detail, but I shall write to the hon. Member for Attercliffe, because he has a valid point. We think that we have the judgment right on the quantum, the quality and the relative terms.

Mr. Wrigglesworth: The hon. Gentleman is replying to his critics, who want to increase demand in the economy. Will he recognise that the conditions today are different from those of the 1970s, when there was an oil price increase in 1973 and 1979? There was also a different balance of payments position then because now we have North sea oil revenues coming into the Treasury.

Mr. Moore: The conditions are different in that we have at last got control of our borrowing requirement and are beginning to get control of the pattern of increasing inflation. To the extent that we have got control of the economy, we shall not lose that control again.

I thought that it was almost an affront to the House that the right hon. Member for Sparkbrook tackled two points about taxation that I should have thought he would have preferred to ignore. One was the burden of taxation on employers. I remind the House of two points. One is that during the period of this Government, the percentage of total taxation carried by employers has been reduced from 14·1 per cent. to 9·1 per cent. Secondly, my hon. Friend the Member for Norwich, South (Mr. Powley) rightly drew attention to the fact that we have removed that burden on employers of the national insurance surcharge—a burden of £3·7 billion.

Secondly, the right hon. Member for Sparkbrook spoke about the impact on those who are least well-off and about the pattern of taxation and national insurance charges during the period of this Government. It is difficult for Opposition Members to understand, but most of us are more concerned with the genuine quality of life of those in work than with attitudes on envy and redistribution—*[Interruption.]* While the right hon. Member for Sparkbrook giggles, let me remind hon. Members of the relevant data for the pattern of those on half average male earnings during Labour's period of office. The real take-home pay, or real wealth, for a married person with two children went up 4 per cent. That is excellent, but during our period of office over a similar period, that pay has gone up by 12 per cent.

For a person on average earnings, take-home pay went up by 1 per cent. during Labour's period of office, but by 13 per cent. during our period of office. The earnings of a single person went down 3 per cent. during Labour's period of office. These are not palatable figures, but show the reality of what happened to people on lower earnings. They show the way in which those in work have benefited far more during the period of office of the Conservative Government.

Let us take a person on twice male average earnings, which is not excessively wealthy. During Labour's period of office, real take-home pay went down by 2 per cent., whereas it has gone up 14 per cent. in the last five or six years. If one is on five times male average earnings, take-home pay has gone up 28 per cent. under the Conservatives, whereas it went down 17 per cent. under Labour.

I accept that there is a differential between the higher and lower figures because in a progressive tax system, any changes will by definition benefit those further up the scale. It is appalling that Opposition Members should argue as if those in work were worse off. I entirely accept the figures for taxes, because I announce them, but I assumed that those in Government sought to concern themselves with whether or not people were better or worse off. Under our combined policies, people on half average earings are better off, as are those on whole average earnings. That is the relevant point which should be put across.

I know that many of the points that have been made in the debate will be considered by those of us who have the privilege of serving in Committee. Today, we are considering the underlying principles. This Finance Bill contains measures to improve incentives, promote job creation, stimulate enterprise and reform and simplify the tax system. Income tax is reduced, capital gains tax reduced and reformed, stamp duty overhauled and development land tax abolished. There are proposals to assist research and development, high technology industries and the process of innovation. There are new incentives for the self-employed and measures to protect the national heritage and to encourage charitable giving.

The Bill therefore contains specific measures which, taken with the others announced by my right hon. Friend the Chancellor in the Budget, provide the firm financial framework within which industry can create jobs. On that basis, I commend it to the House.

Question put, That the amendment be made:—

The House divided: Ayes 172, Noes 278.

Division No. 195] **[10 pm**

AYES

Abse, Leo
Anderson, Donald
Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Benn, Tony
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Buchan, Norman
Caborn, Richard
Callaghan, Rt Hon J.
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Cunningham, Dr John
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*

Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Mackenzie, Rt Hon Gregor
Maclennan, Robert
McTaggart, Robert
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Pavitt, Laurie
Pike, Peter
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robinson, G. *(Coventry NW)*
Rooker, J. W.
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'kl'ds E)*
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Williams, Rt Hon A.
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. John Maxton and
Mr. John McWilliam.

NOES

Adley, Robert
Aitken, Jonathan
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Bevan, David Gilroy
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Richard
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Hordern, Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hunt, David *(Wirral)*
Hunter, Andrew
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marlow, Antony
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Monro, Sir Hector
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon P. *(Chester)*

Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pollock, Alexander
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Rumbold, Mrs Angela
Ryder, Richard
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Speed, Keith
Spence, John
Spencer, Derek
Spicer, Michael *(S Worcs)*
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thorne, Neil *(Ilford S)*
Townend, John *(Bridlington)*
Vaughan, Sir Gerard
Viggers, Peter
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Yeo, Tim
Younger, Rt Hon George

Tellers for the Noes:
Mr. Michael Neubert and
Mr. Ian Lang.

Question accordingly negatived.

Main Question put forthwith pursuant to Standing Order No. 41 (Amendment on Second or Third Reading), and agreed to.

Bill accordingly read a Second time.

FINANCE BILL (COMMITTAL)

Ordered,

That Clauses Nos. 3, 10, 35, 40, 54, 64 and 87 and Schedules Nos. 12, 16 and 22 be committed to a Committee of the whole House;

That the remainder of the Bill be committed to a Standing Committee;

That, when the provisions of the Bill considered, respectively, by the Committee of the whole House and by the Standing Committee have been reported to the House, the Bill be proceeded with as if it had been reported as a whole to the House from the Standing Committee.—*[Mr. Moore]*

Committee tomorrow.

STATUTORY INSTRUMENTS, &c.

International Immunities and Privileges

Motion made, and Question put forthwith, pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.)

That the draft Specialized Agencies of the United Nations (Immunities and Privileges) (Amendment) (No.2) Order 1985, which was laid before this House on 3rd April, be approved.

That the draft Eumetsat (Legal Capacities) Order 1985, which was laid before this House on 3rd April, be approved.—*[Mr. Archie Hamilton.]*

Question agreed to.

WELSH GRAND COMMITTEE

Ordered,

That, during the proceedings on the matter of the Welsh economy, the Welsh Grand Committee have leave to sit twice on the first day on which it shall meet; and that, notwithstanding the provisions of Standing Order No. 67 (Meetings of standing committees) the second such sitting shall not commence before Four o'clock nor continue after the Committee has considered the matter for two hours at that sitting.—*[Mr. Archie Hamilton.]*

Death Grant

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

10.15 pm

Dr. John Marek (Wrexham): Hon. Members are not accustomed to leaving the House at this early hour. Perhaps they will stay and listen to what we have to say.

I wish to discuss a matter that affects my constituents and those of hon. Members on both sides of the House —the failure of the death grant to provide realistic help to people who have to pay inevitably large and sometimes unexpected funeral bills.

The death grant was introduced in 1949, when it stood at £20. That sum was then sufficient to cover the cost of a basic funeral. It was intended that the grant would save the elderly the worry of having to find the money to give themselves a decent burial and remove the spectre of a pauper's funeral from those who had no savings. Thirty-six years later, funerals cost on average 20 times as much as in 1949 and yet the death grant has increased by only £10, now standing at a meagre £30. It was increased to £25 in the 1950s and to £30 in 1967. The sum represents negligible help with the funeral bill, and the original intention of the grant is no longer being met.

Elderly people still feel that they must go without food, heat and other necessities to put aside enough money to pay for their funerals. Paupers', or contract, funerals still exist and a growing number of bereaved relatives are forced to turn to the social security system for extra help. In 1983, 13,000 recently bereaved people had to undergo the distressing and undignified process of being means-tested for a single payment to cover funeral costs.

The Government's 1982 consultation paper conceded that a major reform of the death grant was needed as the present system did little for those needing help. There is widespread support in the country for the Government's belief that the system needs urgent reform. We have now waited nearly two and a half years for the Government to bring their deliberations to a conclusion. In the meantime, the real value of the grant has been further eroded. More and more of the costs of the funeral have to be met from other sources. Thousands of people continue to go without, in order to pay for the funeral that they believe is their own responsibility. I am sure that hon. Members will know of many old people who worry needlessly and endlessly about how they will be buried and whether there will be enough money in their estate when they die to give them a decent funeral.

The death grant has failed to meet its original objective. I am sure that the Government will not disagree with the view that self-reliance is a good thing and is to be encouraged among those whose resources are adequate. However, a growing number of people are unable to pay for their own funeral both because funeral costs are rising and because people live longer in retirement, using up their savings.

As the number of people unable to provide for their own funeral grows, so the onus of responsibility for footing the bill has fallen more and more on the shoulders of the bereaved, who are increasingly subjected to distress over how to find the money. Those who qualify for supplementary benefit payments have to endure the upsetting and undignified means test at a time of bereavement. The procedure is unacceptably harsh, but they have to go through it in order to obtain extra help through the single payment system. The means-testing of the bereaved cannot be allowed to continue. It was the main reason for the overwhelming rejection of the Government's 1982 dual means test proposals. I do not want to pre-empt discussion of the Government's forthcoming proposals for reforming the death grant, which I understand may form part of the plans for reforming the social security system. However, it may be opportune to consider possible outcomes of their deliberations on the matter.

Of all the solutions that might emerge, a grant which lays the burden of responsibility firmly on the shoulders of the bereaved while not at the same time covering the full cost of the funeral would be the worst possible. The deceased, the state and the bereaved should all bear some responsibility for funeral costs—the deceased and the bereaved because they want a dignified funeral and the state because it requires funerals to be in accord with legal and public health requirements.

In an ideal world, the obvious and complete solution, which would ensure that the standards of funerals required by the state, the deceased and the bereaved are met would be a universal death grant which covered the costs of a funeral. That view is sponsored by the Dignity in Death Alliance, represents the views of nearly 50 charities and pensioners' groups throughout the country and reflects the obvious fact that death is universal and comes only once and that national insurance contributions are nearly universal. I am aware that we do not live in an ideal world and that money is limited. Judgments have to be made by any Government about priorities of need and entitlement. I do not underestimate the difficulties that a Government have in devising a system which assists all those in need with funeral charges at minimal cost to themselves.

Perhaps I might help the Government by reminding them of their 1982 proposal to means-test the estate of the deceased. The deceased's estate, as valued through probate, is already used in assessing applications for single payments. The Welsh Consumer Council said in its 1984 submission to the Government that it is not unreasonable to use the deceased's estate as a means of determining eligibility for grant. I agree with that principle and believe that a full death grant should be paid immediately and that, if the deceased's estate is worth more than, for example, £5,000, some repayment of the grant should be made. Such a procedure would allay the worry of the bereaved in many cases and of the deceased before death. They would be certain of dignity in death. I look forward to discovering whether the Government's proposals, when they come, will reflect the serious consideration that that option deserves.

It would be remiss of me not to mention an issue that is often raised at my constituency surgeries — the relationship between funeral costs and the death grant. Death grant should be set at a level that covers the total cost of the funeral. Although the cost varies from one part of the country or another, I estimate that a reasonable and proper funeral without any excess costs about £500. If, in our less than ideal world, we cannot provide that by way of grant—I suspect that that will be the Minister's answer — we should at least cover the cost of discharging the minimal responsibilities of the deceased and the community.

Funeral directors and local authorities have a part to play in keeping costs down, but we must acknowledge the

fact that funerals are expensive in Britain because public health standards and proper disposal procedures have to be maintained, burial grounds have to be sited away from other activities, religious requirements have to be fulfilled and we expect to maintain the identity of the deceased. Those are standards set by a civilised society and are not luxuries to which only the affluent are entitled. The least that we should expect to pay to discharge the community's and the deceased's minimal responsibilities is about £300 at 1984 prices. The full amount should be made available to eligible estates and the grant should be reviewed regularly—and preferably be index-linked—to ensure that it remains adequate.

10.23 pm

The Minister for Social Security (Mr. Tony Newton): It is conventional to congratulate an hon. Member on having the good fortune to gain the opportunity of an Adjournment debate and on his choice of subject. I readily congratulate the hon. Member for Wrexham (Dr. Marek) on his good fortune, but he will realise that the subject puts me in a singularly difficult position because we are in the middle of a social security review. I know that he will understand if I cannot say as much as I should like or what I hope will be possible.

I recognise that the subject raised by the hon. Gentleman is one of very great concern to many people, especially pensioners, and that that itself has been reflected in the interest shown by other hon. Members. There has been one early-day motion, No. 128, on the Order Paper since last November; another one, No. 635, was tabled fairly recently; and I see that hon. Members were even ingenious enough to import the death grant into yet another early-day motion, No. 531, which purports to be about value added tax on newspaper advertising. The exercise of that ingenuity is some reflection of hon. Members' interest in the subject.

I can assure the hon. Member without qualification that Ministers—and not just me as a Minister responsible for social security—recognise that there is a good deal of concern about this matter. If we did not, in any event it would be drawn to our attention by the considerable volume of correspondence which we receive, by early-day motions, and by the number of occasions that the matter is mentioned when we meet groups concerned especially with pensioners, as I did for example when recently I met a deputation from the Dignity in Death Alliance.

In seeking to respond to the speech of the hon. Member for Wrexham, I need just to make the point that in looking at where we should go from where we are now there is some merit in considering how we got to where we are now and in going briefly over the history of the death grant.

Prior to the introduction of the welfare state, or the set of institutions and policies collectively described today as the welfare state, most people had policies with industrial life offices to help meet funeral expenses. But that provision was subject to a good deal of criticism, for a variety of reasons. One was that there were very high administrative costs. I am told by the experts in my Department—for all I know they may have been there between 1937 and 1940—that in those years just before the war about 37·2 per cent. of premiums to industrial life offices were going in administration costs. I am also told that it often proved that policies had lapsed through non-payment, which obviously caused difficulties when the eventuality arose, and that in other cases the companies which provided the policies were wound up.

When the then Sir William Beveridge was looking at all these issues in the course of his work during the war, he came to see state provision as a cheaper and more efficient alternative to the industrial life office and other non-state provision which had existed before the war. He envisaged a grant sufficient to meet funeral costs, with different rates for adults and children.

There was to be no grant for people who were past retirement age when the scheme was introduced. As the hon. Member for Wrexham acknowledged, it is a national insurance benefit. There was to be a half rate for those within 10 years of retirement. It is those provisions that explain why even now — this is not always easily understood—men aged 102 or more and women who are now aged 97 or more are not entitled to any death grant because they were not covered by the scheme when it came into effect in 1948. It also explains why people who are 10 years younger—down to 92 in the case of men and 87 in the case of women—only get £15 instead of the ordinary rate of £30.

As the hon. Member acknowledged, since 1948 the grant has been increased only twice from the figure then set—once in 1958 under a Conservative Government, and once in 1967 under a Labour Government. It is clear that under Administrations of both political colours the idea of a generalised increase in the death grant has never really been afforded very high priority, and it is now nearly 20 years since any Government made an increase. It must be acknowledged—in view of the fair way in which the hon. Member put his points, I think that he would do so — that the world has changed a great deal since Beveridge was writing in the 1940s. Social conditions have generally improved or, at the very least, changed —I would say that they have improved, and I hope that I would carry the hon. Gentleman with me—and that has been reflected in, among other things, a large increase in personal wealth throughout the community including pensioners. More people own their own homes, have the benefit of life assurance policies or have built up savings in other ways. I do not intend to imply that that is universal, but the scale of personal assets is larger than it was 30 or 40 years ago when this system came into effect.

In 1974, the Department conducted research which showed that only 7 per cent. of those responsible for paying for funerals said that they had any difficulty in finding money to meet funeral costs. That appeared to be because of the availability of insurance and other assets and because a much smaller proportion of people, compared with the late 1930s and 1940s, died leaving no assets.

It is important to make those points because, as with any other problem of social security or politics, it is necessary to see one need and one set of concerns in perspective and in relation to others. It seems clear that the great majority of people do not have any great difficulty in meeting funeral costs.

I must place on the record, if only for the completeness of the debate, some of the figures detailing what would be required to meet claims that are sometimes made in relation to death grant. Using the March 1985 retail price index, to restore the grant to its 1967 value, when it was last increased, it would have to be increased from £30 to

[[Mr. Terry Newton]]

£175,.which would cost about £85 million a year extra in 1984-85 if the other conditions for giving the grant remained unchanged. To extend such a grant to cover all deaths—to remove that residual contributory element to which I have referred—where at present no grant or only a reduced rate is paid would cost a further £10 million. That would leave us with a total cost, including administration, of about £130 million.

Using the March 1985 RPI, to restore the death grant to its value at introduction in 1949, it would have to be increased to about £225, which would cost about £110 million a year extra in 1984-85. To remove the residual effects of the contributory basis on which the grant was introduced would cost a further £20 million. The total cost of paying the grant would be about £160 million.

I turn to the point raised by the hon. Member towards the end of his speech about covering reasonable funeral costs. The figures that I have before me relate to a cost of about £350, rather than £500, although I do not wish to argue about what is a reasonable figure. The estimates that I shall cite are lower than would be required to meet the figures suggested by the hon. Gentleman. On 1984-85 figures, to pay a death grant at the rate of £350 would cost about £185 million a year, with another £30 million being required to pick up the reduced rate cases, giving a total cost of about £240 million.

I would say only—I would not wish to labour this point too much—that, even against the background of the huge social security budget, the additional sums involved in any of these proposals, which range from a little under £100 million to more than £200 million, are substantial when compared with the costs of many other requirements.

Dr. Marek: I was not asking for a grant without some form of clawback, perhaps related to the sum of £5,000 where it would be necessary to have a grant of probate, so that costs would come down considerably.

Mr. Newton: I accept that. I do not suggest that the hon. Gentleman made an unreasonable or strident speech, but I thought it sensible for me to put on record the sort of sums that we could be talking about for some of the suggestions that have been made and to stress the point of which I, as the Minister with responsibilities for the needs of disabled people, am particularly conscious, which is that the costs have to be judged against the many other claims for improvements in benefits. They may be desirable, but they have to compete for available resources.

The hon. Member noted that for the relatively small number of people who find difficulty in meeting the cost of a funeral, there is the possibility of help through the supplementary benefits system. In 1982, about 12,500 families received single payments, in addition to death grant, averaging about £210, to help with funeral costs.

I noted carefully what the hon. Gentleman said about people's feelings about supplementary benefits means-testing at the time of bereavement. I shall not dismiss that.

As the hon. Gentleman said, the Government put forward for consultation nearly three years ago a variety of proposals for changes in the system which it was felt would lead to better targeting of available resources and give greater help to those who needed it. I shall not go through all the options in the appendix to the consultation paper—the hon. Gentleman will have read them—but there were three major options for paying a much larger grant, ranging from £150 to £250, to those most in need.

No clear public consensus about any of the options emerged from the consultation process and, as a result, the Government have continued to consider the matter and are carrying forward that consideration in the current review of social security as a whole. The hon. Gentleman will understand that I cannot make any promises about the future of social security or about the vexed question of the death grant.

However, we have noted what the hon. Gentleman has said and the concern that he expressed on behalf of his constituents. I hope that it will not be too long before we can make proposals that, whether or not he finds them to his liking, will carry forward the public debate on the subject and produce a more acceptable position. I am grateful to the hon. Gentleman for the trouble that he has taken to enable me to put that point on record.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes to Eleven o'clock.

House of Commons

Tuesday 30 April 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

GREATER LONDON COUNCIL (MONEY) BILL

Read a Second time, and committed.

Oral Answers to Questions

DEFENCE

European Fighter Aircraft

1. **Mr. Stan Thorne** asked the Secretary of State for Defence what recent discussions he has had with European aerospace manufacturers about the proposed new European fighter aircraft.

10. **Mr. Carter-Jones** asked the Secretary of State for Defence what recent discussions he has had concerning the European fighter aircraft.

The Secretary of State for Defence (Mr. Michael Heseltine): In addition to regular and continuing discussions with British industry, I visited British Aerospace at Warton on 20 March and Dassault, in France, on 2 April. The visits enabled me to see for myself the experimental aircraft programmes on which the companies are engaged. They also provided an opportunity to discuss the work undertaken on the proposed European fighter aircraft. While in France I had a brief meeting with Mr. Hernu. Consultation, national and international, is also taking place regularly and frequently at official level in preparation for the meeting of EFA Defence Ministers, which I shall attend in Rome in mid-May.

Mr. Thorne: Does that mean that the manufacturers in France and British Aerospace are moving closer together regarding the EFA? Will the Secretary of State give us some genuine information about that?

Mr. Heseltine: The hon. Gentleman asks a critical question. It is extremely difficult to answer in general terms questions about many different ranges of manufacturing interests. There is no doubt that much more intense discussion is going on at industrial level, especially among the prime contractors, to find a solution to this interesting opportunity.

Mr. Carter-Jones: Is the Secretary of State aware that the Royal Air Force cannot fly reviews or visits, but wants real aircraft? Is he further aware that in 1939 we had "Spits" and Hurricanes? We may not have had enough, but we had them. Does he realise that if he proceeds in this way we shall be short of fighter aircraft at the appropriate time?

Mr. Heseltine: That is not the message that I got when we visited British Aerospace. British Aerospace understands the complexities of funding the development of tomorrow's aircraft, and has played a critical role in advising about the options before me.

Sir Peter Blaker: Will my right hon. Friend give an assurance that he is bearing prominently in mind the serious employment implications of having an early and positive decision about this project, and that it would be a great pity if the skilled teams at present at Warton were dispersed?

Mr. Heseltine: I completely agree with my right hon. Friend. There are critical military, industrial and employment issues involved, and we have these in mind.

Mr. Ashdown: Will the Secretary of State take this opportunity to say what discussions he has had with European aerospace manufacturers about collaborative projects for helicopters to meet defence needs? Does he agree that although it is true to say that the British helicopter industry will depend on successful European collaboration——

Mr. Speaker: Order. That is wide of European fighter aircraft.

Mr. Ashdown: I seek to discover what discussions the Secretary of State has had with European aerospace manufacturers in general.

Mr. Heseltine: I congratulate the hon. Gentleman on his brave try. Obviously, I have discussions on the full procurement area, and Europe is trying increasingly to seek solutions of common specification and procurement opportunity. That includes helicopters, and all the other military equipment that we must purchase.

Mr. Gerald Howarth: Knowing as he does the imperative of reaching a decision next month when he has his meeting, will my right hon. Friend confirm that the Government's top priority is to produce an air frame and an engine capable of meeting the threat, and that he will not compromise on a lesser solution simply to induce the French to join a project with ourselves, the Italians and the Germans?

Mr. Heseltine: Of course, my hon. Friend is correct. We must begin with the threat that we face, but the House will appreciate that all the potential partners to EFA broadly agree about the threat.

Mr. McNamara: Will the Secretary of State take this opportunity to confirm that the role of the aircraft for which he is pressing is the role of the RAF one, that the configuration of the aircraft is the configuration of the RAF one, which is what meets the needs of British industry, and that he is determined to go ahead with the needs of the RAF, and of no one else, as his prime consideration? Will he also take this opportunity to confirm that while we intend to maintain an independent British aircraft manufacturing industry, we intend to do the same for the helicopter industry?

Mr. Heseltine: I assure the hon. Gentleman that all those issues are carefully borne in mind, as are the conflicting claims upon the resources of the Ministry of Defence budget from other air force requirements and the requirements of other armed services. A wide range of

factors must be taken into account, and the interests of the British aerospace industry will be at the forefront of one's thinking.

Defence Resources (Deployment)

2. **Mr. Marlow** asked the Secretary of State for Defence if Her Majesty's Government will consider seeking to deploy defence resources from Germany to Scandinavia.

The Minister of State for the Armed Forces (Mr. John Stanley): No. However, as I said in my reply to my hon. Friend on 26 March, there is a strong United Kingdom commitment, through NATO, to the defence of the NATO countries of northern Europe.

Mr. Marlow: Given the existing deployment balance of the Warsaw pact and NATO, does my hon. Friend agree that NATO is far more vulnerable in Denmark and northern Europe than it is on the central front? Given the calamitous consequences for the United Kingdom should Denmark or Norway fall, should we not be thinking of ways to change that balance?

Mr. Stanley: My hon. Friend will be aware that we must take into account primarily the deployment pattern of Warsaw pact forces. As he will be aware, the great concentration of those forces, both nuclear and conventional, is on the central front rather than in the northern region. Our deployment response must reflect that.

Sir Anthony Buck: As to Scandinavia, does my hon. Friend agree that an important step forward has come about through the pre-positioning of equipment there so that we can fly in our forces speedily to reinforce the area referred to in the question, and heavy equipment will be available for their use?

Mr. Stanley: My hon. and learned Friend is entirely right. The Norwegian Government's agreement to more prepositioning by Britain and the United States has been extremely helpful.

Royal Dockyards

3. **Mr. Douglas** asked the Secretary of State for Defence if he will make a statement on discussions between his Department and relevant trade unions on the future of the royal dockyards.

11. **Mr. Gordon Brown** asked the Secretary of State for Defence what discussions he has had recently with trade union representatives from royal dockyards.

The Minister of State for Defence Procurement (Mr. Adam Butler): My right hon. Friend had discussions with trade union representatives at Rosyth and Devonport during visits this and last year. I met local representatives of industrial trade unions when I was in Rosyth on 17 April, and my hon. Friend the Under-Secretary of State for Defence Procurement and I plan to hold further separate discussions at Devonport and Rosyth shortly. Consultations by the Department with trade unions at national and local level are under way, both on the options for the future and on the interim measures necessary to improve performance.

Mr. Douglas: May I tempt the Minister to ask the Secretary of State to have a much more open discussion about this matter? In view of the Secretary of State's liking for debates, will he come to Dunfermline and debate this matter with local Members of Parliament so that all the issues can be properly ventilated? Will be confirm that the sole assets of the companies that he will create will be the labour and skills of the work force? The companies will have no other assets.

Mr. Butler: In answer to the hon. Gentleman's second point, that is not necessarily the case, although under the preferred solution the assets of the dockyard would remain in Government hands. However, it does not preclude the contractor company from having its own assets in addition. As to consultation, I assure the hon. Gentleman that I shall be in Rosyth in May, when I hope to meet representatives of all the unions concerned. I made it clear when I was there in April that my mind is open and that I am prepared to listen to what they say. They have already argued their case in a document, but I made it clear then, as I shall in the future, that the Government's preferred option is that of commercial management.

Mr. Duffy: Has the Minister read reports of a packed protest meeting in Plymouth guildhall last Friday night when the Government's proposals were met with outrage and even fury? Will he comment on the reported view of the Government's consultative exercise by Mr. Bill Goffin, a senior industrial trade union representative in the dockyards? He described their consultation intentions as pure and absolute hypocrisy?

Mr. Butler: I reject that absolutely. There have been suggestions that the consultation period will be neither genuine nor long enough. I have already assured the hon. Member for Dunfermline, West (Mr. Douglas) that the consultations will be genuine and that they will certainly be long enough in the light of the considerable discussion and debate about this matter that has taken place in the last year. I had a report of the meeting to which the hon. Member for Sheffield, Attercliffe (Mr. Duffy) referred. It is clear that virtually everybody who has an open mind on this issue is fully persuaded that the present situation cannot continue and that some change must be brought about. The debate is now about which option is finally decided on. As I say, the Government have made clear in their consultative document the way in which they see the road, but there are other points of view.

Mr. Bill Walker: Does my right hon. Friend agree that one of the greatest assets that any company can have is the skill of its work force, but that another asset is the attitude of that work force? Is it not a fact that all the experience, for example, of British Aerospace since privatisation is that the attitude of the work force is directed to increased productivity and the increased sales penetration of the products?

Mr. Butler: It is clear that the future workload of the dockyards, and therefore employment in the dockyards, will depend on efficiency being improved and on that constructive attitude to which my hon. Friend refers. The reports that I have had in recent days of the attitude in the dockyards is, generally, of such a constructive attitude on the part of the men.

Mr. Skinner: Is the Minister aware that the questions that have been asked on this issue have been put by Labour Members, on whom the task of arguing on behalf of the workers in the dockyards has fallen? Does he agree that

it is significant that the right hon. Gentleman who was bullying his way to the Dispatch Box last week, the leader of the SDP, the right hon. Member for Plymouth, Devonport (Dr. Owen), who represents one of the constituencies affected, has not found time to come to the House to represent his constituents today — *[Interruption.]*—even though there is plenty of room on these Benches?

Mr. Speaker: Order. I do not think that the Minister can answer that; it is not his responsibility.

Mr. Butler: The hon. Member for Bolsover (Mr. Skinner) is perhaps more capable of making the point than I am. I was about to draw attention to the fact that the right hon. Member for Plymouth, Devonport (Dr. Owen) was not in his place. I am certain that the workers at the dockyards in Plymouth and the voters of the area will have noted that.

Mr. O'Neill: Is it not a fact that 9,700 people will also be absent from the consultation process, namely, the 9,700 who have lost their jobs in the naval dockyards since the Conservatives came to power in 1979? Does the right hon. Gentleman appreciate that it is with some cynicism that the dockyard labour force views the Government's proposals, having gone through the pain of such massive redundancies in the recent past?

Mr. Butler: I am persuaded that at least the dockyard workers in Rosyth are much happier at the prospect of the Conservatives continuing in office compared with the prospect under a Labour Government of the Trident programme being scratched.

Association of South East Asian Nations

4. **Mr. Adley** asked the Secretary of State for Defence if he will seek a meeting with his counterparts in the Association of South East Asian Nations.

Mr. Stanley: My right hon. Friend would certainly hope to see his ASEAN counterparts individually as circumstances allow, and he will be seeing the Malaysian deputy Defence Minister during the latter's visit to London next month.

Mr. Adley: I thank my hon. Friend for that answer, which I welcome. Does he agree that on this, the 10th anniversary of the ending of the Vietnam war, the ASEAN countries in general, and particularly Thailand, are continuing to bear a tremendous burden from Soviet-backed Vietnamese aggression in the region? Will he do all he can to encourage the ASEAN countries in their valiant efforts to uphold and maintain freedom in South-East Asia?

Mr. Stanley: We very much share the concern of the ASEAN countries about the Vietnamese occupation of Cambodia. Equally, we share their concern about the very significant and major Soviet build-up in Cam Ranh Bay.

Mr. McNamara: Does the Minister of State recall that a New Zealand battalion in that area is helping to maintain stability? This contribution from a non-nuclear power was somewhat vilified in this House and elsewhere during the visit of the Prime Minister of New Zealand.

Mr. Stanley: If the hon. Member is referring to the New Zealand Government's present policy on ship visits, that is a disappointment to us and we very much hope that in the fullness of time they will reconsider their position on that issue.

Strategic Defence Initiative

5. **Mr. Boyes** asked the Secretary of State for Defence whether the introduction of a strategic defence initiative for Europe will have implications for the Trident project.

15. **Mr. Tony Lloyd** asked the Secretary of State for Defence whether the introduction of a strategic defence initiative for Europe will have implications for the Trident project.

18. **Mr. Evans** asked the Secretary of State for Defence whether the introduction of a strategic defence initiative for Europe will have implications for the Trident project.

Mr. Heseltine: There is no separate strategic defence initiative for Europe. The effectiveness of Trident as a deterrent depends not on defensive measures taken by the West but on developments in Soviet anti-ballistic missile defences arising from their long-standing and extensive research programme in this field. However, as my right hon. Friend the Minister of State for the Armed Forces has already informed the House, no developments in Soviet anti-ballistic missile defences are currently foreseen which are likely to negate the deterrent effect of the United Kingdom Trident force within the lifetime of the system.

Mr. Boyes: Why, when talks are taking place about the star wars initiative, are this Government continuing with the £10 billion plus Trident project, particularly when a new hospital intended to serve the interests of my constituents has been eliminated from the 25-year programme and the Newcastle general hospital cannot afford £25,000 for a scanner to make possible the early detection of cancer? Does it not show that this Government are more interested in destroying than in saving lives?

Mr. Heseltine: No. All it shows is that we are continuing the policy of British independent deterrence in which the last Labour Government believed.

Mr. Lloyd: If the Soviet Union were to respond to the American star wars programme with the same type of programme, as the British Government claim they are already doing, would it not entirely negate the value of the Trident programme, and is that not the fallacy which underlies the present defence programme?

Mr. Heseltine: It depends entirely upon the judgment that the hon. Gentleman and the House make about the credibility of such a Soviet initiative and the time scale within which it could be brought to fruition. We have no evidence which leads us to believe that that is likely to happen within a time scale that could frustrate the purpose of the Trident programme.

Mr. Evans: Is it not becoming increasingly obvious that as Britain cannot afford the Trident project without seriously damaging the Royal Navy the time has come for the Secretary of State to inform President Reagan that this country cannot afford the colossal sums that would be involved in the so-called star wars project?

Mr. Heseltine: No, that is not becoming increasingly obvious, because all thinking people know that the average cost of Trident is about one-sixth of the total increase that the Government have brought about in the defence budget.

Mr. Bill Walker: Does my right hon. Friend agree that the essence of deterrence is the ability to deliver enough of the warheads to deter a would-be aggressor, and that all experience shows, particularly during the period when the Vulcan bomber was the deterrent force, that by the time Trident is phased out and the Soviet Union has the capability of destroying most of the weapons something new will have been developed?

Mr. Heseltine: My hon. Friend touches upon the difficulty of predicting the future with accuracy. However, the essence of all the Opposition alarms is that they told us that if we proceeded with our defence policy and modernised our nuclear weapons it would destabilise peace and the Soviets would break off the arms talks. The fact is that the Soviets are back at the conference table and peace has never looked more secure.

Mr. Meadowcroft: If the Secretary of State agrees with his right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs, who referred to the widespread and continuing discussion and debate on the strategic concepts involved in the SDI, surely the cost of Trident is so immense that those widespread discussions and debates need to be considered before Trident is proceeded with. Ought it not to be put into cold storage until the effects of the SDI upon our country's policy are fully known?

Mr. Heseltine: It may be the policy of the alliance parties to put defence into cold storage, but it is certainly not the policy of this Government.

Mrs. Clwyd: Are not the Government concerned about embarking on another round of extravagant spending when clearly the chiefs of the Army, the Air Force and the Navy are concerned about lack of spending on conventional defence?

Mr. Heseltine: The Trident programme carries the whole support of the Chiefs of Staff and of the policy formation processes of the Ministry of Defence, but if the hon. Lady is so concerned with making known a decision about our determination to maintain Britain's independent nuclear deterrent, that explains why, when the Labour Government did it, they did it in secret with the Chevaline process.

Mr. Denzil Davies: Will the Secretary of State tell us what his views are on star wars? Does he agree with President Reagan that nuclear weapons are immoral and should be made obsolete, or does he agree with the Foreign Secretary, who made substantial criticisms of the star wars project? Can the right hon. Gentleman tell us whether President Reagan consulted his NATO allies before he made that speech, which turned upside down 40 years of NATO nuclear strategy?

Mr. Heseltine: The right hon. Gentleman must be fully aware that the discussions that have taken place between the Government and the United States Administration have been at the highest level, and that the Camp David communiqué, issued by the President and the Prime Minister, clearly set out the British Government's views.

Trident Missile

6. **Mr. Proctor** asked the Secretary of State for Defence if he will make a statement concerning the timing of the replacement of Polaris submarines by Trident.

Mr. Butler: The United Kingdom Trident II force is planned to enter service in the mid-1990s.

Mr. Proctor: Will my right hon. Friend make it absolutely clear that the replacement of Polaris by Trident will in no way undermine our surface fleet?

Mr. Butler: I give that assurance categorically. The Polaris boats will remain in service until such time as the Trident boats are able to maintain continuous patrol.

Mr. Tom Clarke: If Trident is to continue to the point that the Minister has just mentioned, will he make arrangements for an alternative to the proposed dumping of asbestos from Faslane in my constituency, in the rural village of Glenboig, which is wholly unacceptable?

Mr. Butler: I think that the hon. Gentleman has already made points in regard to that matter. Of course, it has to be properly attended to.

Mr. Favell: Will my right hon. Friend estimate the savings to the nation as a result of the excellent performance of the pound over the past two months?

Mr. Butler: My right hon. Friend the Secretary of State made it clear what the effect of a one cent change in the pound-dollar relationship would be on the overall cost of the programme, but I cannot give my hon. Friend the exact figures at the moment.

Mr. O'Neill: Will the Minister answer the question asked by his hon. Friend the Member for Billericay (Mr. Proctor)? Will he give the House a categorical assurance that the surface fleet will not suffer at the expense of expenditure on Trident or Polaris at the moment?

Mr. Butler: The answer that I gave my hon. Friend was that the deterrent would not suffer ahead of the introduction of Trident. If I misheard my hon. Friend, I apologise to him. The plans for the surface fleet are well known. If the hon. Gentleman and his hon. Friends will have the patience to wait until tomorrow, more will be revealed on that matter.

Army Pay and Records Offices

7. **Sir John Farr** asked the Secretary of State for Defence if he will make a statement on the progress so far on plans to consolidate on one or two sites Army pay manning and records offices.

Mr. Butler: Following the formal period of consultation, the detailed comments received from Ministry of Defence trade unions, as well as from hon. Members on both sides of the House, local councils and others, are now being fully evaluated. I hope to be able to make an announcement on the final decision by the end of May or early June.

Sir John Farr: I thank my right hon. Friend for that reply. In view of the considerable financial advantages of consolidation on one or two national sites as soon as possible, and in view of the ideal location, modern buildings and access to a large labour market at the Army office in Leicester, will my right hon. Friend press on with his plans to centralise at Leicester and Glasgow as quickly as he can?

Mr. Butler: I have always admired my hon. Friend for his wisdom and objectivity, but I know that he has an interest in this matter. He points to the good sense and

economies that will derive from rationalisation. We are now having to make quite certain that the selection of Leicester in addition to Glasgow is right.

Mr. McNamara: Is this not merely an exercise in dispersing jobs from one part of the provinces to another, because no transfers from London are taking place? Are not people being taken from high unemployment areas, and are not the civil servants concerned notionally non-mobile, with, therefore, no rights to transfer? What will the Department do to provide jobs in areas from which jobs have been taken?

Mr. Butler: What is happening is part of the transfer programme. Concentrating on Leicester as well as Glasgow involves rationalisation as well as dispersal. As part of the exercise some of the moves will be from locations outside London to Glasgow. That will be compensated for by movements from London.

Trident Missile

8. **Mr. Roy Hughes** asked the Secretary of State for Defence what was the cost of the Trident missile programme when it was first authorised; and what percentage this represents of the present estimated cost.

Mr. Butler: The cost of Trident I—the C4 system—as first announced in July 1980 was estimated at between £4·5 billion and £5 billion at July 1980 prices. In 1982, however, the Government decided to adopt instead the Trident II—the D5 system—the estimated cost of which at September 1981 prices and at an exchange rate of £1 to $1·78 was announced at £7·5 billion. Statistically this figure is 81 per cent. of the latest estimate of £9,285 million announced by my right hon. Friend the Secretary of State for Defence in January. However, if the effects of inflation and movements in the exchange rate are set aside, the latest estimate is in fact less than that given in 1982.

Mr. Hughes: Do not many military experts agree that Trident is unsuited to our needs and that it could impede the arms control talks? In view of the rocketing costs to which the Minister has admitted, would it not be better to scrap Trident now, when only a small percentage of the envisaged overall cost has been spent?

Mr. Butler: The Government want to ensure that the country's defence and peace are maintained. We are quite certain that it is right not only that we should have a nuclear deterrent but that we should have an independent nuclear deterrent. The Trident system is the most effective that we are likely to be able to command, and it can do the job effectively. As has been made clear on many occasions, as a percentage of the total defence budget it remains a small element. For instance, it costs less than the Tornado programme.

Mr. Adley: In the face of criticisms by CND activists on the Liberal Benches and a rag-bag of pacifists and unilateralists on the other Opposition Benches, will my hon. Friend give a clear assurance that the Government are prepared to will the means effectively to ensure this country's defence?

Mr. Butler: I can give that categorical assurance. We shall do so both through the provision of conventional defence and the nuclear deterrent.

Mr. Johnston: Is not the only conceivable circumstance in which Trident might be used if Britain were threatened and America refused to come to our assistance? Does the Minister think that likely?

Mr. Butler: One can envisage certain situations in which Britain might need to make use of a nuclear deterrent.

Mr. Pike: Does the Minister accept that to call the possession of nuclear weapons a defence is an illusion? Does he agree that the possession of nuclear weapons makes it more likely that we will be attacked by nuclear weapons? Even at this late stage, will the Minister cancel the Trident programme so that we can meet our commitments for a conventional defence force? Does he agree that that is what the people want?

Mr. Butler: I am convinced that the absence of a deterrent would make war more likely, not less likely.

Mr. Eldon Griffiths: I strongly support the Government's policy on Trident. However, does my hon. Friend recognise that there could be a consequence for the Trident programme if, as I hope, the strategic defence initiative moves forward? At some stage, will my hon. Friend consider publishing documents to enable the House to judge the relativities of the SDI programme and Trident?

Mr. Butler: I think that my hon. Friend is right. This has to be examined. But he must remember that the strategic defence initiative programme is in its infancy, the research is likely to take one or two decades at least, and in the meantime it will be necessary to continue with the deterrent strategy.

Mr. Douglas: Will the Minister now give us some details of the rate of exchange at which the current calculation has been made, and the difference in cost between the rate of exchange that he gave for the D5 and the present position? Will he concede that the real cost of Trident is the end of the British surface naval fleet as an effective force within NATO?

Mr. Butler: The point that the hon. Gentleman makes is nonsense. In reply to his specific question, as I think he knows, the exchange rate which was used in my right hon. Friend's latest estimate was $1·38. At that time it was pooh-poohed because the exchange rate was standing at something like $1·10 to the pound. The hon. Gentleman and the House will have noticed that there has been considerable movement since then.

Mr. Denzil Davies: As the Minister well knows, the pound is now standing at $1·21, which of course means that Trident is even more expensive than the latest estimates. Can he return to the question that was asked by his hon. Friend the Member for Billericay (Mr. Proctor) and now give, since he failed to give it before, a clear assurance to the House that the purchase of Trident will not mean any cuts in the surface fleet or any inhibition on the replacement of existing warships?

Mr. Butler: The Government's policy in regard to surface ships has been made clear. It will be even clearer when the Statement on the Defence Estimates is published tomorrow. What the right hon. Gentleman must realise is that, thanks to this Government, expenditure on defence has increased by one fifth in real terms so that the total resources available to defence are one fifth greater than

they were in 1979, and, therefore, there are more resources available for spending on conventional weapons, in addition to that which will be expended on the nuclear deterrent.

Cruise Missile Bases

9. **Mr. Loyden** asked the Secretary of State for Defence whether he is satisfied with security at ground-launched cruise missile bases.

Mr. Stanley: Security at these bases remains under constant review.

Mr. Loyden: Will the Minister accept that the security needed to protect missiles in Britain is acting against the interests of the British people and that the very liberty that they are intended to defend is being destroyed by the action that is taken against people such as those in the peace movement?

Mr. Stanley: I should have thought that most British people would welcome the fact that proper measures are being taken to protect important nuclear assets in the country.

Sir Antony Buck: Does my right hon. Friend agree that the British manning of these sites whereby we have a ratio of four to one relative to our American allies provides them with almost complete security, and such penetration of these bases as there has been has been of the outer perimeter only?

Mr. Stanley: I am grateful to my hon. and learned Friend. It is certainly the case that we are never complacent on matters of security, and therefore keep all matters under review. We are satisfied that the present security arrangements appear to be satisfactory.

Mr. Madden: What security purpose is being served by large numbers of MOD police and barbed wire guarding the half-built peace chapel at Molesworth? Will the Minister now remove those police and the barbed wire, and allow the chapel to be completed and people to attend services there?

Mr. Stanley: As the hon. Gentleman should be aware, the so-called peace chapel was constructed inside MOD property by those who engaged in acts of trespass.

Sir Anthony Grant: Is my right hon. Friend aware that the nation as a whole, and Cambridgeshire in particular, expects the maximum degree of security for a defence policy which was agreed in principle by the Labour Government in 1979? Will he ensure in particular that there is no interference with this defence establishment by a body such as CND, which has totally failed to reveal the full sources of its finances?

Mr. Stanley: I am grateful to my hon. Friend. I can certainly assure him that we intend to discharge our obligations under the NATO-INF arrangements, including the security obligations in respect of ground launched cruise missiles.

Mr. Barron: Will the Minister tell the House exactly how he can justify the presence of seven policemen to guard the peace chapel, which is on land that will not be used for the building of missile sites? Seven policemen and a police dog were guarding about 100 sq yds of earth when Members of the House of Commons visited Molesworth last Wednesday. How can expenditure be justified on mounting such a guard for 100 sq yds of land when there are no plans to build upon it?

Mr. Stanley: I am sure that the hon. Gentleman would expect all parts of the site to be protected properly. I am glad that he was able to have first-hand experience of the security arrangements at Molesworth.

Dr. Mawhinney: Will my hon. Friend condemn the members of Peterborough CND who have been cutting up sections of the perimeter fence at Molesworth and sending it through the mail to senior public figures, including Members of this place? Does he agree that this criminal damage sits rather uneasily alongside their somewhat holier-than-thou attitude towards both law and morality?

Mr. Stanley: I agree with my hon. Friend that such activities are not especially profitable and that those concerned could be much better employed.

Overseas Allowances

12. **Mr. Dickens** asked the Secretary of State for Defence if he will make a statement on the reduction in allowances of service men stationed overseas.

Mr. Stanley: The system of local overseas allowance has been implemented by successive Governments for many years, and is a tax-free allowance paid to service men and women to meet the necessary extra costs to them of serving abroad. The current round of LOA reviews has resulted so far in these allowances being reduced in some cases and increased in others.

Mr. Dickens: Does my hon. Friend agree that service men in Europe are there not by choice but because they were posted, and that an average single service man returning home three times a year to keep contact with his family or girlfriends has to pay £58 to £100 — *[Interruption.]*—in air fares or £28 to £48 in ferry fares? Is it not a disgrace to lower the morale of British service men in Europe—the same service men who made us proud to be British during the Falklands campaign?

Mr. Stanley: My hon. Friend has related his supplementary question to service men in Europe, and I can assure him that the current round of LOA reviews has resulted in an increase in the allowance for service men in Cyprus, Italy, Sardinia and Portugal. If we have a system for compensating service men for differences in the cost of living between the United Kingdom and the country overseas in which they are serving, it is inevitable that the LOA will decrease as their cost of living reduces, while it may increase in other countries where the cost of living rises. I understand fully the implications for those in Germany and their disappointment, but the current review has been rigorously carried out, and on the same basis there as in other European countries where the allowance has been increased over the past 12 months.

Mr. McNamara: Is it not a fact that a "squaddie" in Germany who has £6 less in his wage packet sees that as a wage cut £6? Is the Minister not aware that that is how "squaddies" see it and interpret it? A private soldier is suffering a greater percentage loss than a major-general. How can the Minister justify that? How can we maintain the morale of the Army when already many skilled men are leaving it for jobs in "civvy" street? The LOA decision has been disastrous for the British Army of the Rhine and its morale at every level.

Mr. Stanley: The hon. Gentleman talks about a serious impact on morale, but I do not think that the Government and Conservative Members generally need any lectures from the Opposition Front Bench on that score when we recall the Labour Government's attitude to service pay. I remind the hon. Gentleman that the Labour Government let service pay lag by up to two years behind the recommendations of the Armed Forces Pay Review Body. I remind him also that the rate of premature voluntary retirement reached all-time record highs under the Labour Administration.

Nimrod Aircraft (RAF Waddington)

13. **Mr. Leigh** asked the Secretary of State for Defence if he will make a statement on the availability for operational flights of Nimrods at RAF Waddington.

Mr. Butler: The first Nimrod AEW at RAF Waddington is not in RAF service but is undergoing trials. Our best judgment at the moment is that an operational AEW capability for the Nimrod could be achieved in 1987. The trials aircraft has a limited AEW capability which could be used in the event of emergency and which will be progressively improved as other aircraft are delivered.

Mr. Leigh: Can my right hon. Friend assure the House that, pending the somewhat tardy introduction of operational Nimrods, our AEW capability will be adequately maintained?

Mr. Butler: I can give that assurance. That capability will be maintained in three ways. One way is by means of the Shackletons, whose capability should in no way be belittled . The capacity of Nimrods will be progressively improved. NATO's E3A aircraft are available to provide cover if necessary.

PRIME MINISTER

Engagements

Q1. **Mr. Gould** asked the Prime Minister if she will list her official engagements for Tuesday 30 April.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others, including one with the Prime Minister of Canada. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen. Later I shall be giving a dinner for the Prime Minister of Canada.

Mr. Gould: Having set yet another record last week —this time a record trade deficit to add to her records on unemployment, insolvencies, real interest rates, and so on—will the Prime Minister now refrain from regaling us with yet another list of irrelevant statistics? Will she this time answer one simple question: what happened to the £12 billion benefit to the balance of payments contributed by North sea oil, without which we would now be bankrupt?

The Prime Minister: In the first quarter of this year as a whole, our current account was almost exactly in balance. There are changes in particular months, but I think that the hon. Gentleman can look over the past four years with considerable satisfaction. Of course, oil is a great contributor to the United Kingdom economy. One cannot ignore one of our greatest contributors, and I am amazed that the hon. Gentleman should try to do so. The fact that North sea oil was discovered, explored and brought ashore so quickly was a great benefit and a tribute to private enterprise.

Mr. Cash: Will my right hon. Friend give me an assurance that, in view of the tragic deaths of as many as 20 people in Stafford as a result of the influenza outbreak, the Government will provide as much help as possible to the people affected by that outbreak?

The Prime Minister: I saw the reports of the outbreak in my hon. Friend's constituency and I made inquiries. I know that there are considerable difficulties in this area because of the sudden outbreak of a severe form of 'flu which is affecting many old people. I understand that health authorities normally meet this type of contingency out of their existing financial allocations. The district is receiving £33·8 million, which includes nearly £500,000 of growth money. I hope that the district will be able to do everything that is possible within that sum.

Mr. Steel: Will the Prime Minister give the House an assurance that she will accept the recommendation of the inspector against the construction of the 290 ft monstrosity at Mansion House? Given the right hon. Lady's known distaste for planning and conservation, does she accept that, if she allows this construction to go ahead, it will be regarded as a towering insult to the City of London?

The Prime Minister: The right hon. Gentleman is aware that this is a matter for my right hon. Friend the Secretary of State for the Environment. My right hon. Friend is considering the matter and will make an announcement when he is ready to do so.

Mr. Nelson: Will my right hon. Friend take the opportunity provided by the visit of the Prime Minister of Canada to emphasise the importance that her Government place on the relationship of this country with Canada? Can my right hon. Friend reveal the content of any bilateral discussions that have taken place between the two Governments? Does she agree that our social, economic and political relations will be as important in the future as they have been in the past?

The Prime Minister: I believe that our relationship with Canada will become closer. I understand that British investment will be welcome in Canada and that efforts will be made to achieve closer relations between the United Kingdom and Canada. Naturally, this morning, we discussed those issues that would concern us especially at the Bonn summit; in particular, how to sustain world recovery, the overriding problem of unemployment and the problems of the international debt, East-West relations and the strategic defence initiative.

Mr. Geraint Howells asked the Prime Minister if she will list her official engagements for Tuesday 30 April.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Howells: I am sure that the Prime Minister is aware that I and hon. Members from both sides of the House visited Moscow recently on behalf of Soviet jewry. We were all worried about the plight of the refuseniks who

cannot leave Russia. I wonder whether the Prime Minister can give any help to enable those unfortunate people to leave that country and to go to the country of their choice.

The Prime Minister: The hon. Gentleman is correct. Whereas in 1979 about 51,000 Jewish people were able to leave the Soviet Union, the numbers have now fallen substantially. Some 900 only were allowed to leave in 1984. In the first quarter of this year, 338 left. It is only a small increase and we do not know whether the numbers will increase. We constantly raise the matter with the Soviet Union. I raised it with Mr. Gorbachev when he was here last December. We shall continue to do so because we believe that it is the right of those people to leave to visit relatives overseas or to go to Israel.

Mr. Galley: Will my right hon. Friend consider introducing in the near future effective controls on political expenditure by local authorities? In any such consideration, will she take into account the recent antics of West Yorkshire metropolitian county council, which has included the establishment of a Labour-controlled trust fund and a plan, which it hoped to keep secret, to allocate £3 million to Labour-represented wards only?

The Prime Minister: I do not believe that it is possible to control the expenditure of each and every local authority. One has to do it by indirect methods. One must acknowledge that the indirect methods have been successful in holding down the rate at which local authority expenditure has been increasing. Labour-controlled authorities have been the worst culprits, with rapidly increasing expenditure. Their rates have increased by far more than those of Conservative-controlled authorities. I believe that the practices that my hon. Friend mentioned will come within the purview of the new Widdicombe committee on the practices and procedures of local authorities.

Mr. Kinnock: It is good to see you back, Mr. Speaker. Does the Prime Minister recall saying during the last general election that there were no plans to change the earnings-related component of the state pension scheme? After her chat last night with the Chancellor and the Secretary of State about those matters, will she tell us and the 11 million people who are in the state earnings-related pension scheme whether that is still her explicit view of the matter?

The Prime Minister: As the right hon. Gentleman is aware, a fundamental review of the whole of social security has been undertaken. I believe that it is the duty of Governments from time to time to undertake such fundamental reviews. The review has covered four points — retirement pension, provision for children, housing benefit and supplementary benefit. The right hon. Gentleman is saying that at no time in a Government's lifetime must one undertake a fundamental review. I reject that proposition.

Mr. Kinnock: No, I am not saying that. Does the Prime Minister recall that when the review was set up in 1983 the Secretary of State said that his aim in setting up an inquiry

"is not to call into question the fundamental pensions structure that was established in the 1970s with all-party agreement, and to which I was a party."—[*Official Report*, 23 November 1983; Vol. 49, c. 360.]

Reviews are a natural part of government. Ratting should not be.

The Prime Minister: This is the most fundamental review ever undertaken since the time of Beveridge. The right hon. Gentleman will recall that Beveridge himself enunciated a firm principle that state provision should not be so great as to preclude private provision by voluntary means.

Mr. Kinnock: There is another principle—that when one undertakes a wholesale revision of a basic part of the welfare state, one at least tells the people when one stands for election. When and where did the Prime Minister ever say that she was going to end the state earnings-related pension scheme, the death grant and the maternity grant, to cut housing benefits and to take away allowances from the poorest in the country? Why will the right hon. Lady not answer straight questions on these matters? Why is she still such a twister?

The Prime Minister: I believe that it is a fundamental duty of government to undertake deep-seated reviews. No Government can displace that duty. We have undertaken a review. The matter will shortly come before the Cabinet. Discussion of it may take more than one meeting. [HON. MEMBERS: "Oh"]. I am well aware that the Opposition announce their reviews without ever having discussed them at all, and promptly reject them the next day. Yes, we shall undertake fundamental reviews. Yes, we shall widely discuss them. Yes, we shall bring them before the House and justify our conclusions here.

Mrs. Jill Knight: Is my right hon. Friend aware that the Labour-controlled Birmingham city council has announced a rate rise of 43 per cent.? Will she bear in mind the appalling position in which that will place many of my constituents and other Birmingham residents? Firms will undoubtedly close and the unemployment figures will be affected. Finally, is my right hon. Friend aware that the hospitals are demanding an extra £1 million? Can she do anything to help?

The Prime Minister: No. This is the effect of having a Labour authority in control. Rates rise enormously, putting a great burden on small businesses, which will result in an increase in unemployment. The Labour party always makes promises and never thinks about where the money is to come from.

Mr. J. Enoch Powell: Will the Prime Minister find a moment today to take note of the consternation and anger caused in Northern Ireland by the unheralded intrusion of the Prime Minister and Foreign Secretary of the Irish Republic, particularly during an election campaign?

The Prime Minister: I believe that the right hon. Gentleman is referring to the visit of the Taoiseach, on an inaugural flight from Dublin to Londonderry. We were, of course, informed of that visit two or three days ago. The right hon. Gentleman is aware of their custom, and I understand what he says.

Q3. **Mr. Dubs** asked the Prime Minister if she will list her official engagements for Tuesday 30 April.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Dubs: Is the right hon. Lady aware that yesterday's Government announcement about cervical cancer screening is nothing more than a public relations exercise, because no resources are being made available for the necessary computers or the staff to take the smears

and do the laboratory tests? Without those resources, there will continue to be 1,000 preventable deaths of women every year. There is only one word for this meanness on the part of the Government—murder.

The Prime Minister: The hon. Gentleman is talking nonsense. Under this Government, spending on family practitioner services in England alone has risen from £1·4 billion in 1978-79 to over £3 billion in 1983-84. That is a growth in the volume of resources of nearly 10 per cent. The number of general practitioners has increased by over 2,000 to 23,000. Over a third of family practitioner committees are already using computers for their screening programmes or have plans to do so. My right hon. and learned Friend the Minister for Health has indicated that they should all do so. Computer programmes for that purpose will cost £4 million out of some £3 billion allocated to the family practitioner service.

Q4. **Mr. Greenway** asked the Prime Minister if she will list her official engagements for Tuesday 30 April.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Greenway: During her busy day, has my right hon. Friend had time to see press reports of 10-year-old children smashing up a community centre, having been locked out of their junior school by striking teachers? Whatever the rights and wrongs of that pay dispute, does my right hon. Friend agree that responsibility lies wholly with striking teachers — and the Labour party, which backs every strike, no matter how damaging to children or destructive to the country they are? Are not teachers' strikes wholly wrong and damaging to all?

The Prime Minister: I believe that the teachers' strikes are wrong, in that they are directed at damaging the educational chances of children in their care. I strongly agree with my hon. Friend that teachers will find it difficult to discipline children if they set such an example. I fear that they will also lose the teaching profession the esteem in public opinion that it should have. I am pleased to hear that there is a possibility of the Burnham committee meeting within 14 days. I hope that it will find a satisfactory solution.

Mr. Faulds: On a point of order, Mr. Speaker. After today's mauling, does the Prime Minister still want the televising of the House?

Mr. Speaker: Order. That is a somewhat spurious point of order.

Mr. Adley: On a point of order, Mr. Speaker. *[Interruption.]* I am asking for your permission to raise a point of order, Mr. Speaker, not that of the right hon. Member for Manchester, Gorton (Mr. Kaufman). You, Mr. Speaker, are the guardian of the good name of the House. Would you please give a thought to the fact that, in the face of the bankruptcy of the Opposition's policies, they have descended today to using words such as murder, ratting and twister, which do no good to the reputation of this ancient House?

Mr. Speaker: I heard those words. I did not rule them out of order because the House well knows that robust debate is part of our system. However, I must tell the House that moderation in our language is essential for civilised debate and I deprecate words of that kind.

Mr. Kinnock: Further to the point of order, Mr. Speaker. I strongly support your view that robust exchange is in the nature and the best conventions of the House, but when I hear your deprecation, I feel obliged, as I used two of the words that were mentioned, to rise to say that when the policies that give rise to such language are moderated, the language will be moderated.

Mr. Speaker: Prime Minister's questions have undoubtedly become noisier then they were in the past. I hope that the House will bear that in mind, as it is a very bad example to set to the rest of the country.

Greater Employee Involvement

3.33 pm

Mr. Tony Baldry (Banbury): I beg to move,

That leave be given to bring in a Bill to promote and stimulate greater employee involvement at the place of work.

For want of customers buying British goods, Britain's share of world trade has halved during the past 20 years. Getting more people into work means Britain winning more world trade. To do that, we have to become even more competitive. That means better productivity, more innovation, better delivery dates, improved design and better employee involvement and participation.

The companies that are doing well, be they large or small, the companies with the winning streak and in which personal commitment and dedicated hard work are evident are invariably those which encourage and foster employee involvement and participation.

Indeed, many of the best-run British, American, Japanese and German companies insist that employee involvement is a crucial element in their success. In short, all the winning-streak companies promote employee involvement. Involving employees, listening to their views and advice, and making them feel part of the team make obvious sense to any business. If employees better understand the fortunes of their firm, its finances, its markets and its new technology, and if people feel personally involved with their company's success, they will be more ready to innovate and change and thus better able to compete.

Also, if employees have a financial stake in their company there is a greater incentive to see their firm prosper and do well. Profit sharing and employee share ownership schemes make very good sense to any business. Many companies are encouraging employee involvement; many companies promote wider share ownership. Employee share schemes now cover some 1·5 million employees.

After more than 100 years of very slow progress, profit sharing started to spread rapidly in Britain in the 1970s, so that today some 2 million employees are participating in schemes. The link between profit sharing and employee shareholding was further encouraged by the tax concessions in recent Finance Acts. The present Government have extended these so that today profit sharing linked to employee shareholding is an extremely attractive and cash-effective way of rewarding all employees from executives to the most junior person on the shop floor.

Indeed, the attractiveness of profit sharing has been borne out by an extensive survey published by the Industrial Participation Association, which showed that some 91 per cent. of those surveyed approved of profit sharing.

How many people are aware that the bank clerks in any of the big four banks, or shop assistants serving in, say, Marks and Spencer or British Home Stores, may be shareholders in their companies as a consequence of profit sharing? Nothing less than a quiet revolution is taking place under our noses, and it is no less significant because it is often unnoticed.

Clearly genuine employee involvement cannot be imposed by Government. Every company and business is different and successful schemes of participation need to be mutually agreed having regard to the different circumstances in different companies. But employee involvement can be greatly stimulated and encouraged by Government. While many companies, big and small, are fostering practical participation, there are thousands of firms in which this is not happening. Invariably this is not for want of will but simply because of lack of encouragement and of suggestions as to how a start might be made.

To help these firms make a start on employee participation, a body with a budget and influence needs to be given the task of encouraging and stimulating employee involvement. The obvious body is ACAS — the Advisory, Conciliation and Arbitration Service—formed by Government but independent of Government, involving management and trade unions, employers and employees. Indeed, in its annual report last year ACAS noted

"the pressing need for employees to be further involved in consultative and decision-making processes in the organisations in which they work, if their talents and energies are to be released and their willing commitment secured to the measures necessary for economic recovery."

However, ACAS officials reported that

"progress in this area has been slow and there remains much to be done."

Today, therefore, I seek to introduce the Bill. It is short and simple. It has support in all parts of the House. It would place on ACAS a fresh statutory duty to promote the code "Employee Involvement and Participation" drawn up jointly by the Industrial Participation Association and the Institute of Personnel Management. It is a code drawn up by leading trade unionists and industrialists and others concerned to see positive participation at work. It is a practical, common-sense code which gives sound, straightforward advice and guidance to help any business, big or small, better to promote participation, to the mutual benefit of all involved, to help them compete better and win back business for Britain. If we can work effectively together, we can win more of the world's markets.

Question put and agreed to.

Bill ordered to be brought in by Mr. Tony Baldry, Mr. Ted Garrett, Mr. Michael Howard, Mr. Geoff Lawler, Mr. Jim Lester, Mr. Merlyn Rees, Mr. Richard Wainwright and Sir Brandon Rhys Williams.

GREATER EMPLOYEE INVOLVEMENT

Mr. Tony Baldry accordingly presented a Bill to promote and stimulate greater employee involvement at the place of work: And the same was read the First time; and ordered to be read a Second time upon Friday 10 May and to be printed. [Bill 135.]

Orders of the Day

Insolvency Bill *[Lords]*

Order for Second Reading read.

3.40 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Alex Fletcher): I beg to move, That the Bill be now read a Second time.

The measure before the House today represents the first major revision of the law relating to corporate insolvency for 50 years. It is also the most important reform of the law on individual bankruptcy this century.

During this long period, many major changes have of course taken place in every aspect of life. Thus, the need to undertake a major overhaul of the insolvency legislation is now both urgent and compelling. This the Bill achieves by introducing significant new provisions into the law on corporate insolvency in relation to England, Wales and Scotland and by simplifying and clarifying the existing legislation.

The Bill also achieves systematic modernisation of the law on individual bankruptcy in England and Wales. In Scotland, this is achieved by the Bankruptcy (Scotland) Bill which received its First Reading in this House on 18 December 1984.

The need for a thorough-going review of the insolvency legislation became apparent by the mid-1970s after 25 years of particularly rapid innovation in our financial and commercial systems. In 1977 the major, not to say daunting, task of examining the legislation and identifying sectors in need of repair and renewal was given to the review committee on insolvency law and practice chaired by Sir Kenneth Cork.

The review committee's report, which was completed in June 1982, represents a most comprehensive analysis of this part of the law and its operation. The committee found that the vast economic and social changes that have taken place since the 19th century, when the basis of the existing insolvency law and procedures were laid,

"have rendered them at best, obsolescent and at worst positively harmful".

It concluded that without radical reform

"they are no longer capable of meeting the requirements of a modern society"

and that

"fresh legislation of a comprehensive nature is required".

The Government entirely accepted this conclusion, and this Bill, which implements the majority of the review committee's recommendations either directly or in spirit, achieves the radical reforms judged necessary.

I should like to express, on behalf of the Government, my warm appreciation for the very substantial task carried out by Sir Kenneth Cork and the members of his review committee. Their report formed the basis of the Government's consideration of the deficiencies of the existing law and this Bill owes a very great deal to their valuable work.

Since the review committee's report was published, wide-ranging consultations have proceeded with interested bodies and individuals as to the way in which reform should proceed. These consultations took place first on the basis of the report itself and subsequently on the Government's White Paper "A Revised Framework for Insolvency Law" published in February last year, which set out our main proposals for reform. Very many helpful contributions and observations were received, and these are reflected in the Bill's provisions.

Before considering in detail the Bill's provisions it will be helpful if I outline the legislation's main themes. First, the Bill will ensure that those who act as insolvency practitioners are fit and competent to do so. The absence of checks on who may act in this capacity has undoubtedly led to a small but unacceptable number of abuses. Part I of the Bill will remedy that problem.

Secondly, the Bill will combat abuses of the privilege of limited liability by those whose actions undermine the vitally important commercial purpose for which it was established. By so doing, it will encourage directors to take a close interest in the financial circumstances of their companies and, most importantly, to take remedial action at an early stage when financial difficulties loom.

The third theme of the Bill is to strengthen and improve procedures for facilitating the rehabilitation or reorganisation of businesses which become, or are likely to become, insolvent. To this end, the Bill establishes a new mechanism, the company administration procedure, which is designed to provide an alternative to receivership. Provisions are also included to clarify the law on receivership and to ensure that receivers are more open about their work.

Finally, the Bill contains a major modernisation and simplification of the law on corporate and personal insolvency. Those reforms will do away with unnecessary involvement of the court and will make more straightforward the working of the insolvency procedures.

The reforms will also have the valuable effect of enabling the official receivers of the insolvency service of the Department of Trade and Industry to reduce their commitment to the tasks of acting as liquidators and trustees, so permitting them to concentrate on their protective and investigative work.

The Government propose to bring forward some amendments during the Bill's passage through the House. They will mainly be of a technical nature to improve the insolvency procedures and to reflect the helpful comments of practitioners in insolvency on the Bill's provisions. But they will also include provisions to give effect to the announcement I made in November last year that the principal essential utilities should be prevented from securing more favourable treatment than other creditors following insolvency by threatening to discontinue supply. I hope that the necessary amendments will be brought forward during the Bill's consideration in Committee. Perhaps I should make it clear that I am referring to the suppliers of electricity, gas, water and telephones.

I now come to the provisions in part I which relate to insolvency practitioners. The evidence submitted to the review committee confirmed the view——

Mrs. Elaine Kellett-Bowman (Lancaster): May we take it that my hon. Friend will not overturn all the Lords amendments, many of which are helpful to the Bill?

Mr. Fletcher: I can assure my hon. Friend that we shall overturn, not all the amendments made in the other place, but only those that require that treatment.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): My hon. Friend shows his usual good humour. I hope that his common sense will be as good as his humour.

[Mr. Anthony Beaumont-Dark]

Many hon. Members thought that many of the Lords amendments made the Bill acceptable to those who would take part in enterprise, which is meant to be the Government's main task. If the Government insist on overturning the common sense of the Lords, the Bill will have a difficult passage. May we hope that he will at least retain in the Bill the Lords' intention that those who enterprise in a proper manner will not be penalised by the Bill?

Mr. Fletcher: I shall come to the steps that we wish to take on the main amendments that were made in another place. We should not confuse enterprise in starting a business with wrecking a business. That is the distinction that we wish to try to achieve in the legislation.

Mr. Beaumont-Dark: So do we.

Mr. Fletcher: Then we are at one, which is splendid.

I come now to the provisions in part I of the Bill concerning insolvency practitioners. The evidence submitted to the review committee confirmed the view that the majority of insolvency practitioners carry out their duties in a way which gives no cause for concern. But, unfortunately, a minority of practitioners has engaged in questionable activities to the detriment of creditors. It is the Government's view that it is not only desirable but essential that the public should have confidence in those who handle insolvencies.

At present, with few exceptions, anyone can act as an insolvency practitioner. The review committee recommended that measures should be introduced to ensure that professional standards are observed by all insolvency practitioners and that in future fidelity insurance should be compulsory for all forms of insolvency proceedings. The committee further recommended that transitional arrangements should be made to allow experienced but unqualified practitioners to act.

The Bill adopts those recommendations and provides that a person will not be qualified to act as an insolvency practitioner unless he has a certificate authorising him to act and has provided security for the performance of his functions. In addition, a person will not be qualified to act in a particular case unless he is independent of the company or individual concerned. It is accepted, however, that as the Bill stands at present the restrictions on a practitioner acting in respect of "associates", as defined in clause 207, are too widely drawn to be practicable.

Consultations with the main accountancy and legal bodies are proceeding with a view to introducing amendments which will reduce the area covered by the existing provision in the Bill. Our intention is that only those relationships which clearly constitute a conflict of interests will be caught.

Mr. Nicholas Lyell (Mid-Bedfordshire): Will a chartered accountant who is placed by a bank with a debenture in a position of company doctor to advise the company on its financial affairs be capable thereafter of acting as a receiver if the company is subsequently put into receivership or wound up?

Mr. Fletcher: That is a good question, and it is the sort of point that we are currently considering. We must discuss where we should draw the line with regard to the conflict of interest. I mentioned associates, which would include partners in a firm, and the various rules that the professional bodies apply, for example, to auditors. I cannot give my hon. Friend a precise answer, because this is the sort of point that the Department wishes to consider further before introducing proposals in the House.

Mr. Dennis Skinner (Bolsover): Will the Minister also consider the case of a firm of accountants examining, for instance, Johnson Matthey Bankers in early 1984 and giving it a clean bill of health, and then within a few weeks it becoming apparent to every man and his dog that the bank is going under? The parent company did not seem to do anything about it, and the report was then published. May we be assured that, when the Bill is enacted, it will ensure that accountants who give such a clean bill of health will not be allowed to continue to practise and to be used in the way that they were used on that occasion? Will the Bill prevent banks such as Johnson Matthey from being nationalised by a Tory Government? Is that the intention? From what the Minister said to the hon. and learned Member for Mid-Bedfordshire (Mr. Lyell), I would guess that a set of accountants could examine a company and then act as its receivers. I have an idea that Sir Kenneth Cork used to do that regularly.

Mr. Fletcher: I am sure that Sir Kenneth Cork can speak for himself on that point. I thought that the hon. Gentleman was in favour of nationalisation of any sort, even the backdoor nationalisation to which he referred. However, the legitimate points that he raises are not matters for this Bill. The remedy open to anyone in the case to which he referred, whether shareholder or creditor, who believes that the accountants' report was inadequate and that they have suffered as a result——

Mr. Skinner: Have a ballot.

Mr. Fletcher: No, better than that: they can seek a remedy in the courts.

The Bill also provides that the Secretary of State's functions as regards the issuing, renewal and revocation of certificates for insolvency practitioners may be delegated to an appointed body. As yet, no final decision has been taken about the level of experience and training which will be required of an applicant for a licence or to which bodies the Secretary of State's licensing function will be delegated. Consultations are continuing with the main accountancy and legal bodies.

It is expected, however, that bodies seeking approval by the Secretary of State will be required to demonstrate that they have a qualifying examination for membership and effective disciplinary procedures, that their members have knowledge of insolvency work and that they are prepared to operate, and are capable of operating, a system of practising certificates.

It is not possible for me to say at this stage which bodies will be approved for licensing purposes. Each application will be dealt with on its merit, irrespective of whether or not that body is recognised in other, non-insolvency fields.

I stress that the Bill does not restrict the certification of experienced but unqualified persons to existing insolvency practitioners. It provides for unqualified persons who obtain the necessary practical experience in future to apply for a certificate.

It is not intended that these provisions will apply to receivers appointed by a fixed charge holder, but they will apply to administrative receivers, as defined in clause 91, and to company administrators appointed under clause 13.

The provisions of Part II(1) are principally concerned with combating abuses of limited liability. Limited liability is an essential element of a successful commercial and financial system, but it is abused. The Government's view is that limited liability is a privilege. Any misuse of it, as a result of incompetence or of lack of concern for the interests of creditors, must be punished in the interest of consumers and the business community generally.

We believe that further measures are required to strike a proper balance between limited liability and the protection of creditors. Clauses 7 to 12 are designed to restore this balance and to ensure that those concerned in the management of companies diligently monitor the financial circumstances of their businesses and confront difficulties at an early stage.

Of course, most directors of companies experiencing difficulties make timely and effective arrangements which do not require the court to intervene in their affairs and which often result in insolvency being avoided. But there are others who take no effective action, leaving the state to wind up the affairs of the company at a point where few, if any, assets remain to meet the claims of creditors.

Unless such dilatory directors have been guilty of fraudulent behaviour—which involves dishonesty, and is not a simple matter to establish—no distinction is drawn between directors who take timely action and those who do not.

Mr. Michael Grylls (Surrey, North-West): Many of the good provisions in the Bill, particularly the changes relating to utilities, represent a step forward, but there is an area which the Minister has left out and which I hope he will consider. I refer to banks being allowed, almost uniquely in this country compared with other industrialised countries, to have a floating charge over assets. That often puts unsecured creditors in a difficult position and it certainly weakens their position.

Will my hon. Friend consider introducing a provision in the Bill which would outlaw, as is the case in the United States and elsewhere, banks having a floating charge but being able only to have a charge over an asset? That would prevent a bank from having a floating charge over the whole of a business. In that event, the banks would come in earlier and would have a better chance of encouraging companies to be saved.

Mr. Fletcher: I appreciate that my hon. Friend feels particularly strongly on that matter. I have no desire to avoid the issue that he raises, but I must remind him that the Bill deals with insolvency and insolvency procedures. We should be overstepping the scope of the Bill if we sought to reform the way in which normal commercial lending is carried out in this country.

As for unsecured creditors, the Bill provides that receivers will be required to take account of unsecured creditors in terms of the work that they perform, be they administrative receivers, as they are now called, or be they, as they were formerly called, receiver managers. The work that they perform will be of a nature that requires them to keep the unsecured creditors informed of the state of affairs of the company. That will go at least some way towards meeting my hon. Friend's point.

No distinction is drawn between directors who take timely action regarding the affairs of their business and those who do not. Indeed, at present there is no incentive in law for directors to take early action. Those who do not are a danger to shareholders, employees, consumers and, last but not least, other businesses. Most people are both traders and creditors.

Before I describe the provisions of the Bill concerning the protection to be accorded to investors and creditors from the sort of irresponsible behaviour I have described, I should like to say something about the Government's earlier proposals on disqualification which have already been referred to by some of my hon. Friends.

The House will be aware that the Bill as introduced in another place contained a clause which would have provided for directors of companies subject to compulsory winding up to be disqualified automatically from holding office in that capacity. That clause was removed from the Bill in another place.

Our initial judgment was that the director who allows the affairs of a company of which he is an officer to deteriorate to the point where the intervention of the court is required to wind it up has already gone most of the way to demonstrating his lack of fitness for corporate management. Nevertheless, we have accepted that a policy of automatic disqualification might, in a very few cases, have resulted in those who had conducted themselves properly being penalised.

Accordingly, clause 7 now requires the Official Receiver or the voluntary liquidator to report to the Secretary of State if, in their judgment, there is prima facie evidence that a person's conduct as a director makes him unfit to be concerned in future in the management of a company. If the Secretary of State considers that the public interest demands that a person should be disqualified he, or the Official Receiver on his behalf, will make the necessary application to the court.

That revised provision has the advantage over our original automatic disqualification proposals that it will apply to directors involved in voluntary as well as compulsory liquidations. It also maintains the Government's determination that strict policing of corporate insolvency must take place to ensure that creditors are protected from directors whose conduct has demonstrated their unfitness to assume the responsible office of company director.

Hence, clause 7 places the Official Receiver and the voluntary liquidator under a duty to report to the Secretary of State when they detect unfit conduct. Taken together with the provisions of Part I of the Bill to ensure that insolvency practitioners are competent and experienced, we believe that the threat of disqualification will be a strong incentive to directors to take a much closer interest in their company's financial position and to pay proper attention to the interests of creditors.

Before I proceed, I should like to comment on the amendments made in another place to clause 7, against the advice of the Government. Those amendments, which form subsections (2), (3), and (5) and the latter parts of subsection (8) of the clause, were prompted by a concern that the Bill should give guidelines as to what constitutes unfit conduct and should place some time limit in respect of the workings of clause 7.

We accept that guidelines on unfit conduct and a time limit in relation to clause 7 are desirable. We do not believe, however, that the amendments which were made represent the best approach to this question and it is intended to bring forward our own proposals as the Bill makes progress.

[Mr. Fletcher]

I now come to clause 9, which provides for directors to be made personally liable for the debts of their companies where the court makes a declaration of wrongful trading. I believe that this measure will provide an even more powerful spur to proper conduct than our proposals on disqualification. Put simply, it affects the pocket directly. That may impose its own discipline on the conduct of certain directors.

That directors should be required to accept personal liability for wrongful as opposed to fraudulent trading is a new concept, which was one of the review committee's main recommendations. It concluded that nothing less would serve to meet widespread concern at the ease with which an unscrupulous person can allow a company to continue to trade when there is no reasonable prospect of its creditors being paid.

The Government share the review committee's judgment and consider that the introduction of the concept of wrongful trading will be of major benefit in discouraging reckless conduct. In particular, it will tackle the vicious problem of the "phoenix syndrome" where successive insolvent companies carry on what is essentially the same business.

Clause 9 of our Bill draws heavily on the committee's proposals. It empowers the court to declare a director of a company in insolvent liquidation to be personally liable to make a contribution to the assets of the company if it had traded wrongfully.

Such a liability is incurred if before the liquidation the director knew or ought to have concluded that there was no reasonable prospect that the company would avoid going into insolvent liquidation and did not take the steps he ought to have taken to minimise the potential loss to creditors.

The effect of the clause will be to provide an effective civil remedy to those who suffer losses as a result of a director's behaviour which may have been reckless, negligent or otherwise unreasonable.

Taken together, our proposals on disqualification and wrongful trading should go far towards improving commercial conduct and protecting creditors. I believe they are generally welcomed.

Mr. Tim Smith (Beaconsfield): Given that the provisions relating to disqualification in clause 7 will very much rely upon the liquidator reporting to the Secretary of State if he considers that a director is unfit, how effective does my hon. Friend think that they will be in practice? How far will the clause deal with the abuse to which he referred earlier? Would it not have been much better if the original proposal relating to automatic disqualification had been retained and we had said res ipsa loquitur — the thing speaks for itself — and that if a director has gone as far as compulsory liquidation he should account automatically to the court? Is it not unfortunate that, with the connivance of the Labour party in another place, these clauses were removed from the Bill?

Mr. Fletcher: I am bound to sympathise very much with my hon. Friend. As I tried to explain earlier, the Government's proposals which were removed in another place were criticised on one or two points. They were criticised a great deal on emotional points and they were criticised legitimately on one or two factual points. One criticism was that as the proposals were framed they might have caught a very few innocent directors. We had to bow to that argument. I wish that the original clause 7 had been more fully debated in another place before the amendments were made, but in considering the question as a whole we are falling back on the liquidator or the official receiver making his report to my right hon. Friend the Secretary of State for Trade and Industry.

We are still examining the provisions of clause 7. We wish to provide guidance in the Bill about what constitutes unfitness in a director so that directors and their advisers, as well as liquidators, will know precisely what is expected of them when filing their reports and running their businesses. The Government want the proposals to be as effective as possible. In many ways they are a second best. I have to concede that. However, in all honesty, I think that as they compare in other ways with the original clause 7, one has given way on a particular point. I am delighted that my hon. Friend says that the proposals will improve and strengthen clause 7. I look forward to his co-operation.

Mrs. Kellett-Bowman: I wonder whether the Minister was confusing innocence with slackness. It would seem that if a director has allowed that pitch to be reached, he must have been dilatory in carrying out his duties towards that firm.

Mr. Fletcher: I agree with my hon. Friend. If a company is completely ruined, as all too often happens, I hope that the liquidator responsible for reporting on the conduct of directors will not just take into account the guidelines that we are laying down but will draw on his own experience and ask himself, "What were the directors doing, each and every one of them, in the days, weeks and months before the company was wrecked?" It is on that basis and in that spirit that we expect to receive reports from liquidators and the official receiver.

Mr. Lyell: Might the weakness of the present clause from another place be strengthened by allowing the creditor to make application to the court should the liquidator not do so?

Mr. Fletcher: We have considered that possibility. We take the view that we do not wish frivolous actions to be raised. We believe that the person who is in the best position to make the judgment regarding the conduct of directors is the person responsible for winding up the affairs of the company. In this case, it would be a licensed liquidator or the official receiver himself.

I am sure that those matters will be discussed at great length in Committee. It is an important aspect of the Bill. I shall be happy to have those discussions.

Mr. John Fraser (Norwood): Does not the Minister recognise that a similar situation exists under the law at the moment, and that no more that about a couple of dozen directors a year are recommended for disqualification? Surely, when there is a prima facie case of neglect of duty by a director, the right solution is that he should be automatically disqualified, with the burden of proof then reversed, and let him make an application to the court to show his innocence as there is a prima facie case against him.

Mr. Fletcher: On the basis of remarks that have been made in the House this afternoon, there seems to be a difference between us and another place in the view taken

of the Government's original proposals. No doubt that debate will continue for the rest of the day and in Committee.

I was about to refer to the Bill's provisions on company rescue procedures. The review committee recommended that greater emphasis should be placed on business rescue and reorganisation, and suggested that a new procedure should be established — the company administration procedure — under which the court may appoint an administrator to a company if it considers that the appointment would promote either its rehabilitation or restructuring through sale of parts of the business as going concerns.

A key element in company rescue is the availability of a breathing space during which plans can be put together by new management to return the company to viability or to secure survival of parts of the business. The absence of that breathing space too often means the demise of any prospect of the rehabilitation or the reorganisation of companies.

The administration procedure therefore provides for a statutory moratorium on all actions and proceedings against a company including creditors' rights to enforce their security.

Following publication of the Bill, many helpful comments from practitioners in the insolvency area have been received regarding the new procedure. As a result, it is hoped to make a number of amendments to the Bill's provisions to improve the new procedure and to ensure that it can work effectively.

I refer now to the provisions amending the law relating to receivership. The review committee drew attention to two principal areas of weakness in the existing law. The first concerned the receiver's lack of accountability to unsecured creditors. The second weakness is the lack of clarity of the law relating to a receiver's powers and duties. The main thrust of the provisions is therefore to remedy deficiencies in those areas.

The Bill's provisions deal mainly with the law on receivers appointed under floating charges over the whole of a company. Such receivers will be known in future as administrative receivers. That is the old receiver and manager. I must confess that I find that a little confusing. We are talking about a new administrator and administrative receivers. I looked at the Bill the other day, and found that it would require about six or seven dozen amendments to change the terminology throughout the Bill. However, we shall see how we get on with the terminology. If it seems to be confuseg, we may consider making changes.

Mr. Tim Smith: We all understand what a receiver and manager is. Why have we changed the title?

Mr. Fletcher: That is a legitimate question. I take note of my hon. Friend's point. As I said, six or seven dozen amendments would be required. That is why I hesitated.

Mr. Peter Thurnham (Bolton, North-East): When the receiver is appointed, the decision is made more or less immediately, as I understand it, but with an administrator there is a period between a petition being presented to the court and the court deciding to appoint the administrator. Will my hon. Friend clarify the length of that period, because time is of the essence in these matters?

Mr. Fletcher: The moratorium takes effect from the day when the application to the court is made, and the provisional administrator is appointed, so to speak. I think that there is a period of three months—I am sorry, but I cannot be certain — between the application and the administrator being confirmed or otherwise. The breathing space starts immediately a petition is made, and the administrator is instructed to go forth and prepare his plan.

Mr. Thurnham: Would it be possible for the petition to be withdrawn if the firm found that things were not as bad as it thought?

Mr. Fletcher: Indeed. An application can be made to the court by a company, creditor, or anyone affected by the administration, to have the petition withdrawn. I hope that that rehabilitating and restructuring procedure will be used. I shall be happy, as I am sure the whole House will, to see companies emerging after six, nine or 12 months of breathing space fit and able to conduct their business with new vigour.

I should like to refer to the new corporate and individual insolvency codes. I refer now to the fourth of the Bill's major areas of reform—the restatement in modern form of the corporate and personal insolvency codes—which accounts for nearly three quarters of the Bill's 211 clauses. In the Government's view—and one which I believe is widely shared — it is essential that modern insolvency codes should reflect the commercial world within which they must operate. They should ensure that causes of commercial failure are the subject of close inquiry, both in the interests of those who have suffered financially and in the public interest to promote a healthy business environment. In order to achieve our aim of simplified, modern and harmonised codes for both corporate and individual insolvency, which will endure for many years, the Bill adopts many of the recommendations contained in the review committee's report. It also effects a complete overhaul of the antiquated bankruptcy code, which is currently embodied in the Bankruptcy Act 1914. Many of the corporate insolvency provisions in the Companies Act 1985 are also modernised or replaced by updated legislation.

As a result of the new procedures, time-consuming and routine tasks which currently fall to the official receiver and his staff will be swept away. In future they will be able to concentrate on the investigation of the affairs of both individual and corporate insolvents. The simplified procedures will also mean that insolvency practitioners who act as liquidators and trustees will be able to carry out their duties without unnecessary bureaucracy and expense.

I am pleased to say that the general response to the detailed procedural elements of the Bill has been favourable. We have gone a long way towards developing new insolvency codes which will meet the needs of today and the foreseeable future, but we continue to welcome suggestions for improvements to the Bill's proposals.

We have had many helpful comments already, and I should like to express my appreciation for the contributions which practitioners in insolvency have made to our work on the Bill. We hope to introduce a number of amendments to take account of the various matters drawn to our attention and to make further improvements to the Bill. For example, we have been urged strongly to look again at the question of the matrimonial home in bankruptcy and we have issued a consultative paper. This will enable account to be taken of the views on how reform should be made in the present legislation. A copy of this paper has been placed in the Library.

[Mr. Fletcher]

I draw the attention of the House to one final matter —the preferential status of certain debts, such as taxes, owed to Government and others. The review committee recommended the abolition of preferential status in the case of some tax liabilities, and a reduction in the period for which preferential status is applied in others. The Government looked again at this question and subsequently brought forward amendments to the Bill in another place.

The Bill's provisions now have the effect of removing the preferential status of taxes except in the case of collector taxes—that is, taxes such as value added tax and pay-as-you-earn which are collected on behalf of Government and which represent sums of money that are never the property of the individual or company which collects them. It would be quite wrong if, on insolvency, such moneys were distributed to private creditors.

Mr. Robert Sheldon (Ashton-under-Lyne): This is a particularly serious matter for the small company which can fail because of preferential creditors which can have a domino effect upon a number of other companies. The problem is that the Inland Revenue might have failed to collect money owing when it should have collected it. If it had collected the money, it would not have built up such a large preferential debt and more money would be available to distribute to other creditors. The failure of the Inland Revenue can cause the failure of a number of companies. I do not see why the Inland Revenue should be in such a privileged position.

When a company fails, it should not be assumed that only 5 or 10 per cent. of its debt will be paid to non-preferential creditors. A substantial sum—perhaps one third or one half—should be paid to them. That would have a substantial effect on small companies which would not be faced with the distress with which they now have to cope when one of the customers goes bankrupt.

Mr. Fletcher: I am grateful to the right hon. Gentleman, but I cannot accept the premise upon which he bases his argument. He said that sometimes a creditor is to blame for the debtor's disaster. One could argue that not only about Crown debts but in relation to a bank, which has supported a company for years. One could say that the bank is to blame if the company goes under because it should have clipped the company's wings much earlier. I do not accept the right hon. Gentleman's general argument.

The Government have gone a long way in relation to Crown preference. I have explained what we are doing about public utilities which have had a bogus preferential status. We have moved a long way in that direction.

Mrs. Kellett-Bowman: Not far enough.

Mr. Fletcher: I do not know how much further we can go than to say that a body does not have preferential rights, that therefore it must not act as if it had and to pass legislation to ensure that it does not act in that way.

Mrs. Kellett-Bowman: My hon. Friend has the wrong end of the stick. I was referring to the preferential treatment still accorded to VAT and PAYE.

Mr. Fletcher: We are trying to distinguish between assessed debts—corporation tax, some income tax and rates. They lose their preferential status. However, when a company collects money such as employees' tax, VAT or national insurance contributions, that has nothing to do with trading. The company is carrying funds on trust with a view to paying them to the Revenue. That has nothing to do with a liquidation or bankruptcy and such funds should be given preferential treatment.

Unlike normal traders, the Government cannot choose with whom they do business. They cannot refuse to deal with a company's PAYE, VAT or national insurance contributions because they do not like that company's record, but a trade creditor can refuse to do business with a company. I think that the arguments are powerful.

Mrs. Kellett-Bowman: Does my hon. Friend accept that a small business man faced with a large company does not have much choice either?

Mr. Fletcher: The small business man can decide whether he does business with a company. However, the Government do not have that choice in relation to VAT and PAYE. The Government's concessions go a long way towards satisfying the legitimate arguments expressed here and elsewhere.

Mr. Thurnham: What happens when an administrator is appointed to a firm which has not paid its bill to a supplier? Will the supplier still have to pay the VAT on a bill which is not paid because the administrator has imposed a moratorium? The administrator provision would be more popular if we knew the answer to that question.

Mr. Fletcher: I shall answer that later, but I think that such a supplier would still have to pay the VAT. I do not want to confuse that issue with the receivership provisions in the Finance Bill. We are making changes in legislation which will allow a concession to be made in relation to VAT.

The Bill's proposals represent a significant reform of the law on preferential debts. I am sure that this will be generally appreciated. I would add, however, that the Government do not accept that there is any justification for the reduction in the preference period of value added tax from 12 months to six months. This was inserted into the Bill by an amendment made in another place. We shall invite the House to restore the previous position.

Mr. Tim Smith: I am sure that my hon. Friend is right to distinguish between the two taxes. As soon as a business registers for VAT, it has an immediate cash flow benefit. Many small firms use VAT to keep going. However, perhaps there is something in what the right hon. Member for Ashton-under-Lyme (Mr. Sheldon) said. It is up to the Government to move on this matter. Is not the Treasury acting in accordance with the Keith committee proposals? The Chancellor said that over the next three or four years he expects a £800 million cash flow benefit from the changes in VAT enforcement contained in the Finance Bill.

Mr. Fletcher: There is a quid pro quo. As business men rejoice in the changes relating to Crown preferential debts, public bodies which lose preferential status may decide to move more quickly and be less lenient when debts becoming outstanding. With the loss of preferential status, such bodies may chase for their money harder than before. That is inevitable.

I believe that the Bill will ensure that insolvency proceedings are conducted by practitioners who are

competent and fit to act in that capacity. It will deter and punish those who take advantage of limited liability either by negligent conduct or by furthering their own interests at the expense of creditors. The new administrator procedure and the reform of the law on receivership will give a new thrust to efforts to avoid insolvency or to rescue the viable parts of insolvent companies.

Finally, the Bill will provide modern and effective insolvency codes which will not only meet current needs but also stand the test of time. I commend the Bill to the House.

4.29 pm

Mr. Brian Gould (Dagenham): It is in a way appropriate that it should fall to this Government to bring forward a Bill on insolvency because it comes at a time of record insolvencies, with over 13,000 company liquidations and over 8,000 bankruptcies last year. Having enlarged the scope of the problem in this way, the Government can at least be said, in bringing forward the Bill, to have recognised their responsibility.

The Insolvency Bill is the first major attempt at reform of the subject this century.

Mr. William Cash (Stafford) *rose*——

Mr. Gould: I have only just started, and I do not propose to give way for some time.

The reform is universally regarded as long overdue. The mischiefs against which the Bill is directed are notorious. Indeed, the Minister mentioned a large number of them. I suppose the first, at least in the public consciousness, is the phoenix syndrome, which he mentioned, whereby rogue directors escape their liabilities by going into liquidation, leaving in their wake a trail of unpaid creditors, and are then able to set themselves up in the same business on the following day free of all their debts and ready to start again.

Then there is the cowboy liquidator who often acts in collusion with the rogue director. As the law stands, liquidators need have no qualifications of any sort. The cowboy liquidator is nevertheless permitted to handle and to gain access to substantial assets. In many cases, I am sorry to say, he uses that ability to cheat creditors of what is due to them.

There is also the plight of the unsecured creditor, which I think was very much in the mind of the Cork review committee. The unsecured creditor almost always loses out because he is left with what remains after the holder of a floating charge has recovered his money, after preferential creditors such as the Government have taken their share, and after professional expenses have been paid. What is left to the unsecured creditor as a consequence is, in most cases, nothing.

A further mischief with which the Bill is concerned, to which the Minister also referred, is what is often a headlong rush into insolvency—usually at the instance of the debenture holder, the bank—of companies which could be nursed back to proper financial health. It is often —this is a point that the Minister did not raise—the employees of such an enterprise who bear the brunt of the priority asserted by the banks in protecting their own interests. There is a clear public interest in making sure that companies do not go prematurely into insolvency.

There are then myriad ways with which the Bill is largely concerned in which an archaic insolvency law fails to provide the speedy, fair and effective procedures that we need in today's circumstances to establish a proper balance between the interests of the directors on the one hand, and creditors, consumers, employees and the community at large on the other. To the extent that the Bill seeks, as it does, and largely succeeds, to remedy these deficiencies, the Opposition will support it.

The Bill is, of course, based substantially on the Cork report. The Opposition join the Minister in expressing our appreciation of the work done by the review committee and Sir Kenneth Cork. It was the Secretary of State's predecessor who appointed Sir Kenneth Cork in 1977. As the Minister said, the report was produced in 1982, followed by a Government White Paper in February 1984.

Despite this fairly leisurely timetable—particularly, if I may say so, on the Government's part, rather than that of the committee — the Bill shows many signs of inadequate preparation, and certainly inadequate consultation. One instance of this is that no debate took place either on the Cork report or on the White Paper. In the light of the mauling that the Bill received in another place, to which the Minister made many references, the Government must surely regret now not having consulted more widely and thoroughly before they produced the Bill.

We intend to approach the Bill constructively. Our object is to make it a better Bill. Our starting point—and here I echo the language that the Minister used—is that limited liability is an immense privilege that allows business men to trade, often using other people's money, at little risk to themselves. It is a privilege which has been of great importance and which will continue to be of importance in stimulating economic activity. It is also one which is clearly susceptible to abuse. In our view, the evidence is now incontrovertible that that privilege has been considerably abused, and that many worthwhile interests which deserve attention have suffered as a result.

Too often we believe that limited liability encourages commercial behaviour which would rightly be regarded as outrageous if it were a matter of the private affairs of a private individual. We believe, in other words, that the privilege should be extended only to those who are clearly fit to use it, and that those who abuse it should have the privilege removed.

We bear in mind that the whole thrust of the Cork report was to shift the balance of advantage away from directors and in favour of consumers, creditors, employees and the public interest.

Mr. Thurnham: Is the hon. Gentleman saying that the privilege should be extended only to those who are clearly fit to have it? Does he suggest that people can become directors of limited companies only if they pass some kind of test?

Mr. Gould: I do not believe that even the hon. Gentleman expects me to be so foolish as to agree with that proposition. It is not what I am saying. I am saying, however—and this takes us immediately to the heart of the issue which occupied and, indeed, preoccupied their Lordships in another place—that we are not content with the present form of clause 7, and here we share the Minister's view.

The Bill began by proposing that any director involved in a compulsory liquidation should be automatically disqualified, subject to the right of appeal and so on. We do not find the principle of automatic disqualification as

[Mr. Gould]

offensive as many clearly have. We are, after all, talking of withdrawing a privilege, not of convicting somebody of a criminal offence. I think that what went wrong with clause 7 as originally drafted was that it took the wrong criterion. It fastened upon compulsory liquidation as the point at which the disqualification should apply. That was unacceptable simply because it did not necessarily catch the rogue director who would be pretty adept—more adept, perhaps, than the unlucky and incompetent director—at escaping, getting out and going into voluntary liquidation long before the measure came to apply to him.

We favour a set of tough rules to restrict unfit directors. We believe that clause 7 as it stands is too weak. It is particularly weak in the mechanism that it proposes. One or two hon. Members have already referred to that in interventions. It proposes, as the Minister knows, that the matter should depend upon a report by the official receiver or a liquidator. All the evidence is that liquidators in particular simply do not make such reports.

There is a statutory provision under section 9 of the Insolvency Act 1976 which is virtually unused. Under the legislation, for example, companies have an obligation to file accounts and, when those companies go into liquidation, liquidators have an obligation to make reports if they fail to carry out that duty. However, although 400,000 companies are at present in default of that duty, the average figure of reports by liquidators on such failures is fewer than 30 in the past two or three years. We shall wait to see what amendments to this provision the Government bring forward.

By way of indicating what we would like to see, we believe that we should try to strike at the inclusion in clause 7 of a pattern of conduct which is able to identify not, as I have said, the unlucky director who makes a mistake on one occasion, but the director who comes in, knows what he is doing, gets out at the right moment and sets up again. Therefore, we may well look with favour upon an amendment seeking that sequence of perhaps two liquidations—whether compulsory or voluntary does not matter—as a sign that here is a director involved in something which is an abuse and which ought to be stopped.

As to other matters in the Bill, we support the concept of wrongful trading, that is, the idea that a director who accepts credit at a time when he knows or ought to know that the company is insolvent should be personally liable. We believe that the amendments that were made in another place means that clause 9 is unsatisfactory and needs tightening. We would like to see a move towards something nearer to the basic recommendations in the Cork report.

We agree strongly that liquidators should be professionally qualified. Currently, anyone can be a liquidator. The only experience that liquidators have at the lower end of the market, as it were, is that they themselves have been insolvent on many occasions. Some of them have been through the mill so often that they recognise eventually that it is easier to make money out of running liquidations than constantly becoming insolvent. That is often the way in which they are able to gain experience and to make a profit from their activities.

We support the proposed reform, but we are not convinced of the soundness of the Minister's detailed thinking on who should be qualified. We shall want to consider that in more detail in Committee. The Minister may be aware that there are some operators who foresaw reform and the introduction of a Bill some years ago. They took the precaution of setting themselves up in small professional bodies for the purpose of meeting any criteria which might be laid down in the Bill. That is something that should be examined carefully.

We support also the introduction of the Cork-recommended administrator, whose task will be to keep a failing company in business. It is a valuable idea which offers some hope of reducing the number of unnecessary business failures. However, we are concerned that the appointment of an administrator can be vetoed by the debenture holder — usually the bank — and that employees' rights are not given greater protection.

As a general proposition, the Government have been perhaps too solicitous of the banks' interests. One of the major shifts in emphasis between the report and the Bill is that the banks have managed to ensure that nothing will happen to disturb their preferences. Surely the administrator's role should be to stop companies from being driven into insolvency unnecessarily. We are all familiar with notorious examples such as Stone Platt where the banks insisted on putting in their receivers. In effect, they have destroyed companies that could have survived. We should consider the relationship between the rights of a debenture holder and the appointment of an administrator. There is a more general case, however, for restricting the rights of the holders of floating charges, who almost always grab the lion's share and leave little for unsecured creditors.

The Bill does not go far enough to protect the interests of employees of a company to which an administrator is appointed. One of the real promises of advance that lies behind the idea of an administrator is that jobs that might have been destroyed will be safeguarded. Many members of the work force will be involved directly as their jobs will depend on the administrator's success. At least one representative of the work force should be on the administrator's committee. The administrator should be under a clear statutory duty to consult and inform the work force. He should have a general duty as well to safeguard employment.

On one issue we are less at one with the Government than on the matters to which I have referred so far. We believe that the Bill, in some respects, is animated by an attempt to downgrade the role of the official receiver, probably in an attempt to save public spending. It is clear that the savings from such an exercise would be illusory and, at best, minimal. The exercise is an example of dogma at work. We can claim the support of the Cork report in maintaining that there is a legitimate public interest which must be protected in ensuring that insolvency procedures are properly carried out. This means a continuing and important role for the official receiver.

Mr. Fletcher: I agree with the hon. Gentleman that there is an important public interest role for the official receiver. The improvements that we have made to the detail: in the Bill and the shifts of policy in the Bill are intended to allow the official receiver's department to be able to carry out its investigative and protective work more effectively and spend less time on matters for which it was never designed.

Mr. Gould: I am glad to hear the Minister say that. I give him notice that we shall consider carefully and critically anything that smacks of an attempt to privatise by a side wind any of the official receiver's functions.

The Government, under pressure, have gone some way towards the recommendation in the Cork report that the Government's preferences and those of public corporations shold be abolished. We welcome the move on rates and on what are now known as directly assessed taxes such as corporation tax and capital gains tax. We welcome the amendment, which was agreed to in another place, to reduce the scope or time limit of the preference on collector taxes such as VAT and PAYE. We shall ensure that there is further debate on these issues in Committee, bearing in mind the general desirability of equivalence of treatment so that as much as possible is left for unsecured creditors. That is a leit motif of the Cork report and we must never lose sight of that objective.

Consumer organisations have been keen to give special protection to the consumer who makes a prepayment for goods or services to a firm which then fails before the goods or services are delivered. There is no doubt that such persons, who are currently treated as ordinary creditors, receive a raw deal, but we must accept that they are not unique. All unsecured creditors are in that position. The argument is finely balanced. It is undesirable to create a new class of preferred creditor, but there is a case for saying that the ordinary consumer has less chance of protecting himself than a trade creditor and is perhaps less aware that he is advancing credit to a trader, which the trader can use as part of his working capital. We shall be keen to hear further argument on these issues in Committee. We shall come to a conclusion in the light of the arguments.

Mrs. Kellett-Bowman: Does the hon. Gentleman agree that consumer organisations are concerned also about servicing contracts, which are rather difficult to quantify and which give consumers very few rights?

Mr. Gould: The hon. Lady is right about that. There are a number of areas in which the consumer is not properly protected. I am sympathetic generally to the consumer organisations' argument but I enter the caveat that we should be a little chary of creating new classes of preferred creditors when the general thrust of the reform should be to treat everyone as nearly equivalent as possible.

So much for what is in the Bill. The Opposition's major criticism is directed to what is not. It is unfortunate that in some respects the Bill can be regarded as a missed opportunity. It has failed to provide the comprehensive reform that was recommended in the Cork report and was the object of the review committee's report. For example, the Bill fails to provide for a specialist insolvency court, which the Cork committee recommended. Such a court would have meant a substantial step towards simplification of inevitably complicated procedures, whatever reforms the Bill is able to introduce. Insolvency involves many complicated matters and there is a powerful case—the Cork committee certainly made one—for a specialist court to deal with it.

The Bill makes no provision—perhaps this is its major omission—for the Cork recommendation of a fund comprising 10 per cent. of available assets to be set aside for unsecured creditors. There was some dispute over the precise purpose of the fund, but it seems that the ground for that argument has changed slightly since the report's publication. Whatever the ground on which that idea would be supported—either because it was a fund for distribution to the unsecured creditors or because it was a fund to enable the liquidator to carry out his tasks and duties more efficiently for the unsecured creditors—it is unfortunate that it has not been embraced by the Bill. We shall table an amendment on that subject so that we may have a proper debate.

Mr. Fletcher: May I make this point for the sake of clarity. I have discussed the matter with Sir Kenneth Cork. I have it on his word that what is intended is a fighting fund for the liquidator and not a dividend reserved for the unsecured creditors, which would be a paltry sum in most cases.

Mr. Gould: I am grateful to the hon. Gentleman for making that point. I believe that the fighting fund concept is a stronger ground on which to support this idea, although the report did not advance the idea in quite those terms.

The Bill is deficient in omitting to establish an insolvency court and a 10 per cent. fund. The legislation has failed to provide the package recommended by Cork. Everything hung together in that package. Because important elements in the Cork package are left out, the Bill falls far short of the comprehensive reforms that Cork recommended. Without those elements, the reforms in the Bill will be less effective than they should be.

The Bill is widely regarded as excessively long and complicated. That was perhaps inevitable. It is only the framework of the body of rules, regulations and law which will govern this matter in the future. Much will depend on the detailed rules and notes that have yet to be produced, and we hope that we will receive further information in Committee about them. Much will depend also on the amendments that are made in Committee. If we emulate our colleagues in another place, those amendments will be substantial, numerous and far reaching. The Committee stage could be unusually important, and we intend to make it so. We intend to approach this important task as constructively as possible.

4.52 pm

Mr. Peter Thurnham (Bolton, North-East): This has been an extraordinarily difficult subject on which to put speech notes together. It affects us in two ways, because it is one of the few ways in which hon. Members can be disqualified. For someone who is a both a business man and a Member of Parliament, there is a sort of double jeopardy, because one faces a potential disaster area as a business man and as a Member of Parliament.

This subject is a bewildering mystery to most business men. It reminds me of the charts for ancient mariners which show that a part of the sea was a no-go area. I believe that most business men would like to keep well clear of it. I am worried that people might be frightened into taking precipitate action and calling for voluntary liquidation, even though they might still be able to fight out of a corner.

The proposal to appoint an administrator is an interesting new idea. We shall have to suck it and see to ascertain how it will work in practice. I suspect that most business men would be reluctant to call in an administrator

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if they felt that they could deal with matters themselves. It would be helpful to have a document equivalent to the highway code to guide business men through the Bill's provisions, explaining the courses open to them if they are in difficulties.

I feel that I can speak from personal experience because a year or two after I started my business I found that I was in difficulties. I had two bankers. One said that he did not want to go to gaol with me. The other said, "You have got into this muddle; you get out of it yourself." Fortunately, he helped me during the next two or three years until I was able to show a respectable state of affairs.

I understand that the Office of Fair Trading has said that more than 200,000 people lost £18 million last year. Last year there were 3,000 receiverships, 5,000 compulsory liquidations, 8,000 personal bankruptcies and 9,000 voluntary liquidations. They were probably only the tip of the iceberg, because, for every business that goes into liquidation, there must be many more fighting to survive and make a go of their businesses.

During the past seven years there have been, on average, only about 20 prosecutions a year for dishonest practices, because it is difficult to prove dishonesty. The hon. Member for Dagenham (Mr. Gould) said that there is a record number of bankruptcies, but he was looking at only half the figure. On the other side of the coin, there was a record number of company formations. More than 1 million companies are registered at Companies house — an increase of nearly 50 per cent. since the Conservative party came to power. That reflects the way in which the small business can help.

An interesting table published in, I believe, the *Financial Times* showed how few of those companies can make substantial profits. The majority are very small businesses and are probably only just able to show a small net worth. Such businesses might become insolvent if they ran into difficulties.

Although I would not question Sir Kenneth Cork's competence, the report contained some strange points. The report stated:

> "We have sought to protect the non-executive directors in large enterprises, on the one hand, while severely penalising those who abuse the privilege of limited liability by operating behind one-man, insufficiently capitalised companies on the other."

I disagree, because I believe that we should help one-man businesses. Those businesses are often under-capitalised, and we do not want legislation that will penalise them while protecting the non-executive directors in large companies. It was a pity that all the members of the Cork committee were from the "good and the great". The committee included no representatives of lay people or small businesses.

Sir Kenneth Cork said that an insolvent company could trade out of its difficulties only by incurring further liabilities. That is not true. I found when I was in difficulties that the best way to pay the bills was to collect the amounts owing to my business. That is not a way of incurring greater liabilities. I question some of the report's references to the liabilities of small firms.

I must confess that I have not come to a judgment as to where the Bill strikes a balance between clamping down on rogue directors and helping genuine investors. To some extent, the Bill does not go far enough in dealing with rogue directors. To threaten compulsory disqualification is unsatisfactory to the majority of honest directors who are doing their best. Their reputations could be impugned by compulsory disqualifications, even though they had taken what they believed was a sensible risk.

My business is currently investigating an opportunity to take over another company which has had a period of difficult trading. I spoke to my fellow director yesterday about this matter. He said that if there were any question of his being compulsorily disqualified he would not touch the other company. Although there are many provisions to assist people—the hon. Member for Dagenham said that he did not think that certain actions should be criminal offences—the fact is that a person who is disqualified from being a director loses his livelihood in that business. He would not, therefore, want to take on another risky business. The other place debated this difficulty. A person's livelihood would be affected if he took on the directorship of a business that got into difficulties even as long as two years after he left it.

Mr. Fletcher: One's livelihood is seriously affected if one drives a car into a tree. That is the way in which we should examine how directors behave in a company. We should consider whether they have wrecked the business or whether, despite the fact that the business became insolvent, they acted responsibly. It is not suggested that we should impose a penalty for insolvency. What matters is the way in which directors behave when they should have seen the danger signals.

Mr. Thurnham: I am grateful to my hon. Friend for pointing that out, but it is not easy. It depends upon the way we look at it. It is not inappropriate to look at one of the new credit cards. It has a hologram on it. It differs depending on the way one looks at it. It is the same with a business. A business can seem to be all right. Something can suddenly happen, white suddenly becomes black and the business looks different. Stocks which seem to be good suddenly seem to be not so good. A company which seems to be solvent suddenly becomes insolvent. That is the difficulty.

A director can understand a company in which he has been a director for many years. He can be satisfied that it is trading properly. He can then be asked to join the board of another company where matters are not so clear. If he is likely to be faced with compulsory disqualification because the second business goes wrong, he is likely to keep away from it.

I should like to believe that people can be encouraged to join boards of companies where there may be difficulties. The director may not know which way to look at the hologram because it can change. He does not want to be faced with compulsory disqualification from his existing directorship if the second company goes wrong.

When I was in difficulties, one bank told me that it thought that I could trade through the difficulty, while the other took the opposite view. Most directors would be unhappy at the prospect of finding themselves in court having to argue that they should not be compulsorily disqualified.

We are not being tough enough with the rogues. There is no point in merely removing their right to be the director of a limited liability company. A Mr. Darrock came to see me in my constituency a little while ago. He had been trying to obtain payment from—I do not believe I am being unfair in saying this — a rogue. A Mr.

MacDonald, trading as Mac's Engines — not a limited company — consistently did not pay when the bailiffs tried to enforce judgment against him. My friend obtained a judgment for £47 because the man had failed to repair his car properly. He could not get the judgment enforced. When I wrote and asked the Lord Chancellor what could be done, he told me that the court had no power to enforce a judgment.

That gentleman — "gentleman" is perhaps not the right word to use — had been trading continuously on that basis. He lived somewhere in Southport. No one knew precisely where he lived. His plant, equipment and business were on lease and therefore the bailiff could seize nothing. Such people should be stopped from trading. Imprisonment is called for.

The Bill, as drafted, before it went to the other place, was too sweeping. It threw the blanket of automatic disqualification over innocent people whereas guilty people could dodge through and say, "If I lose my limited liability company, I can still trade."

Mr. Gould: There is an attractive simplicity in what the hon. Gentleman is saying about the distinction between the honest director and the rogue director. The problem is that in some cases a director gets into difficulties and succumbs, because of the pressure and suggestions made by other less honest people, to a course of conduct which inevitably prejudices his creditors and other people.

Mr. Thurnham: The remarkable fact is that Sir Kenneth Cork said that in his vast experience he had met only five or six people who had set out deliberately to defraud. Others had drifted into it. We are dealing with a difficult subject.

It must be wrong for a company director to become insolvent. People do not join boards or set up companies with the intention of becoming insolvent unless they are one of the tiny minority of dishonest people. However, one makes mistakes in the course of trading. I do not suppose that there is one company in which mistakes are not made. Directors will get into a frightful sweat if they think that they will be taken to court for genuine mistakes and dealt with for wrongful trading. As I said, the difficulty is that if something is looked at one way it seems to be all right, but if looked at the other way it is wrong. Rogues can get away with wrongful trading.

The Lord Chancellor said that he had no power to stop the man I have described from trading. He was known to be a rogue. The local newspapers have now stopped taking his advertisements; but fancy there being no power to stop that man from trading. Bailiffs made numerous abortive attempts to enforce judgment. Nothing could be done. The plaintiff was told that he had to bring proceedings again after a year. I am not a lawyer, but apparently after one year the judgment lapses and the plaintiff would have to start the proceedings again. It is unfair to throw that duty on to the plaintiff. The Government should act to stop the rogues. We should take more powers to deal with them rather than throw a blanket of compulsory disqualification which may frighten people.

My fellow director told me that we could forget about the business that we are considering if there were any likelihood of any of the directors being compulsorily disqualified. Courts should have powers to prevent people from trading and to imprison people if they continued to trade against the court's judgment.

The idea of an administrator is good. We shall have to see how it works. The Bill is woolly. We need to know more about the period before a petition is presented. We need to know how a company will decide to present a petition, what happens when it has been presented, and how long the proceedings will take. My hon. Friend the Minister said that he could enlighten us further about that. Some of the provisions are vague and impractical. Clause 24(1) calls for a statement of affairs as at the date of the order. Another date might be more sensible. That subsection should be amended to read, "or such other date as may be determined by the administrator."

In a business, stocks are usually taken at the weekend. A court would not make an order at the weekend and therefore the administrator should have the option as to the date when the accounts should be prepared. Clause 23(2) provides that a statement of affairs should be prepared within 21 days. When I was in difficulties it took me two years to produce a set of accounts. Everyone was horrified to see them and I told them that matters must have improved during those two years. I was desperate to produce the accounts. How is that to be done within 21 days? The subsection further provides that they could be prepared within a longer period not exceeding two months.

Generally, when a company is in difficulties the accounting system has broken down. It may be one of the reasons why it got into difficulties. My accounts showed that everything was fine and profitable, but that proved to be wrong because the accountant did not know how to prepare them. If the accounting system is in a shambles, how will anyone be able to produce a statement of affairs within 21 days or two months? A further subsection mentions "reasonable excuse". I do not know who will decide whether the excuse is reasonable — the administrator or the court. The Bill needs tightening up.

I do not know how "wrongful trading" or "knowledge" will be defined. The definitions will probably develop through case law rather than be something that we can pin down.

Mr. Lyell: My hon. Friend has been enlightening us most helpfully. The House should know that he now runs a highly successful business employing, I believe, several hundred people.

Mr. Thurnham: When one is in a competitive industry one is reluctant to say more than one needs. I am fortunate that the company which I control now employs 500 people. Last weekend I was pilloried by one of the less honourable Opposition Members for talking about the need to abolish wages councils while drawing an increased salary from my company. I started work at £4 5s a week. I cannot see why other people should be prevented from starting in the same way.

I am worried that if compulsory disqualification is lurking, one of two things will happen. Directors will see something that they do not like and clear off the board. They will keep their fingers crossed that nothing will happen in the following two years. I understand that that is the magic period. If the company can get through the following two years, the directors will be all right. The rats will be leaving a sinking ship.

On the other hand, if the directors think that the company will go under in less than two years, they will make a damned nuisance of themselves. They will start to interfere. That is the time when it will be advisable to

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appoint a chief executive who commands confidence, and let him get on with the job. I would hate to find myself subject to constant interference from a host of non-executive directors demanding the preparation of statements of affairs on a daily basis and querying everything that I did, so that they could prove to some strange court—when the company had finally collapsed under the weight of their interference—that they had taken every reasonable step and were whiter than white. That is another area in which compulsory disqualification could work in an unhelpful way. We need to pinpoint the rogues, and leave the others to make the best of what could well be a difficult job.

The White Paper "Burdens on Business" has just been published. It noted the fact that lack of capital can be a main cause of failure. We must accept the fact that, in many businesses, trading on creditors' capital is all part of the business. One does not pay one's supplier until one has been paid by one's customer, where there is a difficulty with the customer. Although we must pay proper regard to the terms of contract, we must also remember the day-to-day practicalities. There are under-capitalised companies, and we should be able to help rather than to hinder them.

5.12 pm

Mr. Ian Wrigglesworth (Stockton, South): I am pleased to welcome the Bill. Although we will wish to consider many parts of it in detail in Committee, as was done in another place, all hon. Members will welcome the general thrust of the reforms.

I first became aware of these major problems through a range of small businesses in the Teesside area, a number of which were members of the Teesside small business club, and also through some constituents who had been hit hard when their small businesses lost substantial amounts of money because other firms went into liquidation.

I became increasingly horrified when some of the practices in which firms indulge were drawn to my attention. I am grateful to the north eastern traders association, and also to David Carter, of Carter Steel, in my consituency and other steel stockholders who drew to my attention some of the activities of Chancery Lane Registrars, who have become notorious for quick liquidations and the equally quick and adroit reincarnations of the same people in a new guise. The activities of such nefarious firms over a long period have led to the undermining of one business after another. Members of the small business club and of the north eastern traders association, and other small business men, will welcome the proposed changes. I will wish to draw upon their experiences during the passage of the Bill in order to ensure that their interests are protected. Firms that are providing employment now and will provide more in the future are being damaged and are unable to grow because of the activities of some nefarious people.

As a result of the tragedy of Stone Platt, for instance, and major collapses such as that of the Stern empire, when people saw either tragedies or abuses occurring, they became aware of the need for legislation. The Stone Platt tragedy was a major catastrophe for the engineering industry, and I hope that we have all learnt from the lessons of the chairman, Leslie Pincott. Many of us believe that that company should have been treated differently by the banks and that it could have continued—at least in part—as the proud company that it had been in the past if it had not been for the way in which the law operates at present.

However, the urgency of the need for reform is also shown by the rapid increase in the number of companies going into voluntary or compulsory liquidation. Since 1977, when Edmund Dell commissioned the Cork report, more than 73,000 companies have been wound up—half of them since the publication of the Cork report in June 1982. Despite possible Conservative protests, I remind hon. Members that the Government have presided over a threefold increase in the annual number of liquidations and that the figure has risen fivefold since the early 1970s.

Such a level of insolvency could be seen as a reflection of a dynamic, flexible, industrial society in which a high level of start-ups reflected a healthy economy. In fact, however, the escalating number of liquidations has far outstripped the increase in the number of companies registered, which has risen from 571,000 in 1973 to 692,000 in 1979 and to nearly 813,000 in 1983. That is an increase of about 20 per cent. The number of liquidations has increased by 300 per cent. We know why that has happened. I do not want to open a general economic debate about the circumstances in which companies have had to operate in recent years, but, as is demonstrated by the unemployment figures, they have been very difficult. Many companies have collapsed through no fault of their own, because of the adverse trading conditions.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. David Trippier): I have great respect for the hon. Gentleman, but it is wrong to attempt to mislead the House by giving jaundiced figures. As the Minister with special responsibility for small firms, I have said time and again that the latest accurate net figure for births versus deaths in 1983 was 47,000—the highest ever on record. I suggest to the hon. Gentleman that the net figure is the one that matters.

Mr. Wrigglesworth: I shall be delighted to stop giving jaundiced figures to the House when the Government stop doing the same. I welcome the increase in new company registrations, and I hope that the rate will increase even more rapidly in future. However, in the past five years there has been a massive increase in the number of liquidations. No one can be pleased about that. That trend points to the need for legislative change such as is encompassed in the Bill.

The problems are complex and on a grand scale. During the coming months, some hon. Members will be involved in a formidable Committee stage. The scale of the problems justified the establishment of the Cork inquiry in 1977 as the first real attempt to consider the harmonisation and reform of the bankruptcy code and the company winding-up code.

What is disappointing — and I have pressed the Minister for action on the reforms for some time now—is the snail's pace at which the Government moved to produce the White Paper in Feburary 1984, nearly two years after the Cork report was published. That slowness was in stark contrast to the haste with which they insisted that comments should be submitted—only six weeks were allowed—and the lack of consultation on the draft Bill. That was remarkable in the case of a measure of such

length and complexity which is in no way partisan. Only six weeks, including Christmas and the new year, elapsed between publication and the commencement of the Committee stage in the Lords. That haste resulted in embarrassment for the Government in the other place. They had to withdraw and redraft clauses on the disqualification of directors, and they will now have to introduce a spate of technical amendments in Committee.

Another regrettable feature of the Bill is that, in spite of its long gestation, it relies on delegated legislation on important matters such as company insolvency rules, for which rule-making powers are conferred in clause 89 and schedule 4. We do not know what the details will be, although they are fundamental to the operation of the legislation. Some of the questions that the hon. Member for Bolton, North-East (Mr. Thurnham) asked will be resolved when those rules are published.

Even if the Bill gets Royal Assent in the summer or the autumn, all of the associated rules which are to be made by statutory instrument through the negative procedure will not be promulgated until autumn 1986. When does the Minister expect to publish the details of those statutory instruments? The Government have devalued the role of the advisory committee which was set up under the Insolvency Act 1976 to review and examine changes in the rules. It now has the right only to be consulted. The Lord Chancellor will make the rules. The wisdom of that might be doubted in view of the difficulties with the Bill in another place. I hope that there will be wide consultation on the rules before they are promulgated.

The Government have made no commitment to the drafting of the statutory instruments which contain the rules, and I should be grateful if the Minister could make that matter clear. I strongly agree with the hon. Member for Dagenham (Mr. Gould) that it is a pity that the Government decided not to proceed with the Cork recommendations for insolvency courts. Cork said:

> "The judicial administration of insolvency matters in England and Wales is long overdue for drastic rationalisation and simplification. The striking feature of the present system is the diversity of the tribunals by which such matters are heard and determined."

He said that there was limited expertise at county court level among registrars, judges and legal practitioners in dealing with complex and technical law and in analysing transactions which involve commercial sharp practice and dishonesty. He also said that it would have been better if legislation had incorporated the establishment of an insolvency court. The Bill's reforms—introducing the administrator to help prevent firms going directly into liquidation, securing the rights of creditors and the disqualification of directors held to have traded wrongfully—point to the establishment of a court which is able to dispense swift justice and help administrators and liquidators to sort out companies in difficulty. That was intended to be a major object of the Bill. The harmonisation of corporate and individual insolvency is a feature of the principal commercial companies outside the Commonwealth, including Europe and the United States, which have insolvency courts. Their establishment here would have helped with the harmonisation of European Community law. I hope that the Government will think again about that.

As for directors and wrongful trading, the establishment of the new legal framework, which the Cork report said would achieve economies as compared with the present system, could be combined with giving the ordinary creditor—indeed, anybody with a legitimate interest in the affairs of a company—the right of access to an insolvency court to complain of wrongful trading. There would have to be a filter to sort out frivolous or malicious complaints. That would be an alternative to the draconian powers of disqualification which were originally in the Bill and which would have risked congesting the courts with applications for relief from many directors of failed companies.

In its present form, the Bill has perhaps gone too far as a charter for directors, giving the Secretary of State, or the receiver acting on his behalf, the power to apply for a disqualification order. The Cork report proposed power to disqualify after one insolvent liquidation, but only for cases of delinquent conduct, of trading wrongfully or of other unfitness. The Consumers Association suggests a new measure which would disqualify directors who have been associated with two or more failures in a five-year period unless they could demonstrate their fitness to manage another business.

It is difficult to get the balance right between the director who has innocently got into difficulties, the director who has acted incompetently and got into difficulties and the director who has acted wickedly and illegally and got into difficulties. There is a fine line between innocence, incompetence and wickedness. I hope that we shall be able to pursue this matter further in Committee, because I do not think that the Bill has got the balance right.

One of the Bill's main weaknesses, which the alliance attempted unsuccessfully to remedy in Committee in another place, is that it does little or nothing for the consumer. Nor does it do anything to protect the most vulnerable class of unsecured creditor—the member of the public who puts down a deposit on goods. My noble Friends Lord Taylor of Gryfe and Lord Meston went over the arguments in another place. I am sure that such unsecured creditors should be protected. We shall have to pursue the matter further in Committee.

Large and powerful creditors such as banks are in an extremely favourable position because of their insistence, when granting overdrafts, on being given a fixed charge on a company's permanent assets and a floating charge on its current assets. That enables the bank, on liquidation, to pay off its own debt in full before leaving anything to be distributed to unsecured creditors. The Bill enhances the strength of those creditors. Preferential debts and floating charges have been abolished in the insolvency laws in several other countries, and it is a great pity that there has not been a move in that direction here. VAT preference was limited to six months by amendment in another place, but that does not apply to PAYE and other taxation or rates, which have preference for 12 months. As I understand it, the Government are likely to try to reinsert 12 months for VAT. Perhaps the Minister will clarify that.

There are two ways in which the Bill could be improved to help unsecured creditors. First, it could give depositors the same rights as employees—to a maximum of £800—and, secondly, it could set aside at least 10 per cent. of the funds realised from the sale of assets by the receiver under a floating charge to be distributed among unsecured creditors. I suggest at least 10 per cent., but we can debate what the figure might be.

Like the hon. Member for Dagenham, I hope that we shall be able to approach these matters constructively and

[Mr. Wrigglesworth]

find the right balance that takes account of conflicting interests. That balance should also take care of the interests of consumers, business men and directors. It should ensure that those who are trying to do a good job of running a company legally will be allowed to continue to do so. It should ensure that businesses that should be maintained are maintained by the administrator and that those who abuse the system and want to continue to do so are outlawed and prevented from trading.

5.30 pm

Mr. Neville Trotter (Tynemouth): Insolvency has a very long history, going back as long as trade has taken place. The first traces of legal intervention in dealing with the problem of insolvency can be found at the time of Henry VIII. For a very long time the creditor had the right to go against either the assets or the body of his debtor, and that took place until fairly modern times—even in the time of Dickens. One can remember horrendous accounts in current novels of those who were unfortunate enough to be cast into the debtors' gaol. In the Cork report there was a reference to an unfortunate debtor who was executed at Smithfield in 1761. Many people have approached me in my capacity as an accountant over the years and suggested not, perhaps, that execution would be appropriate for those who have lost their money for them, but certainly that casting into gaol would be.

The present law on bankruptcy goes back 100 years, to the 1883 Bankruptcy Act. That was the foundation stone of modern bankruptcy and insolvency law, and the company provisions for insolvency followed a few years after that. The Cork report was the first ever major review of the law on this important and obviously distressing subject.

The chairman of the committee, Sir Kenneth Cork—a founder member of the Insolvency Practitioners Association—was a most distinguished practitioner in this field. He and his colleagues on the committee reflected for no less than five years in preparing their mammoth report. I am led to believe that it consists of more than 250,000 words, although I cannot say that I have counted them. The report is based on five years of research and a very large number of interviews with witnesses and papers presented to the committee.

I have always thought it a pity that there is no summary of all the committee's recommendations. Funnily enough, at times recommendations are spelled out in parts of the report and other times they are not. That makes it hard to establish which of its recommendations have not been implemented in the Bill now before us. There have been references to a number of them already in the debate and I am sure that other hon. Members will add to that list.

The consultation that took place over those five years continued with the White Paper that came out afterwards and is now continuing with the Bill. I do not think it at all surprising that the Bill took so long to prepare, since it took the committee five years to complete its inquiry. The Bill is very technical and complex, and also very long. It seeks to simplify the law. I am not sure that the drafting has always achieved this, but I am sure that we shall consider that in much more detail in Committee. There are certainly some parts of it which I do not find easy to follow, but that seems to be fairly common with modern drafting—at least of technical Bills.

Many amendments were put down in the Lords and there is now some confusion about the state reached with some of the original provisions. It would be a very good idea if a Bill such as this were to be published the year before it is laid before the House so that there could be a year of discussion on the details of the drafting. I understand the pressures to get the law through and to get the problems dealt with, but on a matter of this nature, which is not partisan, it would be more sensible if the Bill were published in draft and adequate time given in which to consider the drafting.

There was a reference earlier in the debate—I think by the hon. Member for Stockton, South (Mr. Wrigglesworth)—to harmony with Europe. That is a very good point, which had also occured to me. I hope that the Minister will be able at some stage in our proceedings to enlighten us on what has been achieved to harmonise the insolvency laws in Europe—not very much, I suspect.

The aims of this Bill must be generally welcomed. I am sure that all of us who have experience in this field as accountants wholly welcome the intention to license insolvency practitioners. Reference has been made to the particularly disgraceful case of Chancery Lane Registrars—now put out of business, thank goodness. Nefarious liquidators were very small in number, but they needed to be dealt with. We trust that in future, under the licensing provisions in the Bill, this problem will not arise. I believe that there are still people advertising themselves as liquidation consultants and offering help to directors of companies who are in difficulties. Once they have made that contact through newspaper advertisements, they set about their nefarious tricks. They must be stopped.

There is an astonishingly large number of companies in existence. The latest figure I have seen is 965,411 at 31 December 1983. Allowing for the increase last year, it must now be over 1 million. It has been growing at about 1,000 a week net, after allowing for those removed from the list. That is one company for every 50 or so people in the country. Many of those companies are not trading, but a very large, important part of our commercial life is carried on in this form.

The number of insolvencies in a year is significant, but it is far lower than the number of new companies, although the statistics could be argued both ways, I am sure. Certainly there are far more new companies registered than there are old ones going out of business. Nevertheless, the numbers going down are significant. There are some 4,000 solvent companies voluntarily winding up in any year and some 14,000 companies going into insolvent liquidation—5,000 in compulsory winding up by the court and 9,000 in creditors' voluntarily winding up, where the creditors appoint the liquidator. Then there are about 3,000 cases in which receivers are appointed. I have no access to figures which tie receiverships and liquidations together. Often in a receivership there are no funds left for unsecured creditors and, as a result of that, no liquidator is appointed and the company is simply struck off the list without ever appearing in the liquidation statistics. In other cases there are some funds available and a liquidator is appointed. I have thus not got a figure for the total number of insolvencies but it must be between 16,000 and 17,000 companies a year.

I am sure that the main argument about this Bill will be over the question of the privilege of limited liability and what steps should be taken to prevent loss and penalise

those at fault who have acted wrongly in the management of a company as directors—those who are not fit to be in charge of companies.

There are two ways in which those who have acted wrongly as directors can be attacked. The first is to disqualify them from acting as directors in future and the second is to make them personally liable for the debts incurred. There is existing law on both these points. It is possible to apply, under section 300 of the Companies Act 1985, to have the director of an insolvent company disqualified. Unfortunately, however, in practice, very few applications have been made under that provision and its predecessor in the Companies Act 1976.

Incidentally, I understand that there will be something like 100 amendments to the Companies Act 1985 as a result of this new insolvency Bill. So here we have, fresh from the printers, a consolidating Companies Act and already holes are being torn in it by alterations through this insolvency Bill. Presumably in a few years we shall need to have another consolidating Act. It certainly is hard to keep up to date with the current law references because the knowledge of most of us is based on the provisions of earlier Companies Acts. I cannot go back to the ones in the 1920s, but I can go back to 1948. When I started as an accountant that was the bible for my generation. Now the bible will be the 1985 Act, with reference numbers which initially mean nothing to those people who have been practising accountancy and law.

In practice, neither the disqualification powers nor the power that exists to require a director to contribute to the repayment of the debts of a company has worked. At present, in order to make a director liable for the debts of a company it is necessary for him to be found guilty of fraudulent trading. The success rate in such prosecutions has been very low indeed because it has to be proved that he knew that the company was not going to be able to pay its creditors. Good barristers have found it easy in practice to convince a court that whatever might have happened, it was not the intention of the director concerned to cause the creditors to lose their money. Prosecutions have been infrequent, and those brought have often been unsuccessful because it has not been possible to prove the amount of knowledge necessary to obtain a conviction.

I welcome the change of emphasis in the Bill. Under the new provision of wrongful trading, a court will have only to satisfy itself that the director should have known that the company would be unable to pay its debts. However, one can see arguments inevitably arising as to what was reasonable in terms of "should have known". Action to be taken against the directors of an insolvent company was the main subject of discussion in the other place—although there were debates on many issues in the Bill — and there will also be a great deal of discussion on it in Committee here.

Over 300 companies a week go into liquidation or receivership, and many directors are involved but I do not believe that many of them give rise to the problems that we are now debating. There are only a relatively few directors who do not care and even fewer who deliberately make off with the assets of the company, or live off them. However, there is a need to encourage all directors to take full care in exercising their privilege of limited liability.

In my experience of many years as an accountant, I have not been involved in one prosecution as liquidator or receiver of a company. There have of course been cases that we have reported to the Department, but not one where prosecution has followed. There was one case where it would have followed if the man concerned had not died. One of the problems is the lack of funds to carry out the lengthy investigations needed. The job takes many months of expensive, highly qualified accounting time. The fraud squads of many police forces are simply not staffed to carry out such investigations on a regular basis.

In the one case in which I was involved, in which we were making progress towards what I am sure would have been a successful prosecution, one of the creditors organised the passing round of a hat — not very successfully. Only one other creditor was prepared to contribute and these creditors paid the whole of the costs of the investigation because they were so outraged at the monstrous frauds carried out by the director concerned.

In some cases in my experience, it has been possible for the authorities to bring a prosecution for an offence such as fraudulent grant claims, something quite easy to prove, and something that the court could understand and the defending barrister could not put over in such a way as to obtain an acquittal. However, on the main issue of fraud, there have been distressingly few cases, and even fewer convictions.

Few directors steal assets. What is more common is for such directors to live on the assets of the company until there is nothing left but an empty shell. Then such people move on and do it again with another company. Over the 20 years that I have been involved in such matters as an accountant, in the north-east, there has usually been someone involved in such activity.

What is even more common is the case of a director who drifts into insolvency. I was struck by the speech of my hon. Friend the Member for Bolton, North-East (Mr. Thurnham). He expressed well the problems faced in practice by an honest and diligent director whose company gets into difficulties. Through my hon. Friend's common sense and determination, he had a successful outcome in his case, but there are many people who do not have adequate competence to handle the problems that they have to face. They can drift into over-optimism and become blinded to what is going on. At some indefinable stage, they move on from that, with which one can sympathise, to a complete disregard of what is happening. There comes a time when they should stop, but they refuse to accept that. In practice, it is hard to say when that time is, but, at the end of the day, the company has collapsed. The director has gone beyond what is reasonable and has continued to trade.

At the time of the Cork report, I was in favour of automatic disqualification, because I started from the perspective of frustration with the people whom I felt should have been dealt with but had not been. However, I have listened carefully to the arguments advanced in the past year or so on behalf of the normal innocent director, and I have come to accept that automatic disqualification is not on.

A register should be kept of the directors of companies that go down through insolvency. The frequency with which this occurs to particular gentlemen is a factor that should be borne in mind. It is not simply a case of noting when two companies have gone down, because quite often a group of companies goes down and a director may be involved in all of them. Therefore, the number in itself is not enough. However, the gentlemen about whom I have been concerned in the north have gone down repeatedly —sometimes four or five times. Sometimes, they have

[Mr. Neville Trotter]

had the wit to move to another part of the country. Therefore, a register is needed. If one knows what is going on in one's area, one will know that a certain gentleman has gone down before. However, if he moves to Hampshire or Lancashire people there would not know him. Keeping a register would help in such cases.

The liquidator of any insolvent company should be required to file a report with the Department. It is only by taking some such positive step in every case that we shall be able to make inroads into the problem. In the vast majority of cases, the report would simply say that nothing needed to be drawn to the attention of the Department. From time to time, there would be cases where the liquidator would say that a director was incompetent. If however that happens several times to the same man, there is surely a case for saying that in future he should not be allowed to exercise the privilege of limited liability.

Whatever the outcome of the Bill and the final wording of its provisions, I am sure that there will be much argument in court on the problems of definition, and what constitutes unfitness, recklessness and reasonable knowledge. These problems are inevitable.

Two problems are indirectly related to insolvency. The first is non-filing of accounts. There are good reasons why the number of accounts filed are hundreds of thousands fewer than the number of existing companies. In practice, a large number of companies are not doing anything. It seems, however, that a significant number of companies are trading, but not filing returns. That prevents those granting credit from having an up-to-date look at the strength or the financial health of such companies. It is quite a common feature of a company that goes into insolvency for it to be late in filing its accounts.

The second problem is the inadequacy of share capital, in many cases, of insolvent companies. I see from the statistics for 1983 that over 60 per cent. of companies registered that year had a share capital not exceeding £100. I know that it is common to register companies with a small share capital and then to increase it a few months later when the company starts to trade, but it is also common to find companies that trade on a wholly inadequate share capital. If one starts business with a share capital of £100, it does not take much in the way of losses for one to be insolvent. One could lose such a share capital in the first week without any bother. Many companies have never made a profit from the time that they have started, and were insolvent from the beginning because they started with low capital and investment from the shareholders.

The accountancy profession in general welcomes the proposals for the new machinery of administrators. All right-thinking people wish to see companies rescued rather than closed down. We would all welcome greater emphasis on that aspect of insolvency law. The workings of Chapter 11 of the bankruptcy legislation in the United States tends to be followed with interest now in this country. That chapter has not been in force for long in America, and it is too early to say whether it has been a success. There have been striking successes, such as Continental Airlines, but others have not been so successful. There is definitely a great deal of work to be done in the drafting of the detailed proposals. The accounting profession is reserving its judgment on the details of the proposals until it sees what amendments will be made to the Bill in Committee.

It would be helpful to the accounting profession if it knew which amendments the Government were thinking of tabling. I know that consultations are continuing day by day. The accountants concerned are extremely busy, and we hope that they are engaged in activities to save companies. It is a waste of time for those accountants to divert time at short notice from trying to save companies to considering the arguments for detailed alterations if the Minister has already taken those alterations on board. It would be much better for the accountants to concentrate on matters about which the Minister is still uncertain rather than on those about which he is already prepared to make changes.

I am sure that the number of amendments will be great. I fully support what the hon. Member for Stockton, South said about the importance of the rules. I cannot see how the legislation can be introduced into practice until the rules are made. I hope that when the Minister replies he will make it clear what sort of time scale he envisages. The rules will be complex and of a technical nature. I trust that there will continue to be consultations with the accounting profession on their drafting.

The cost of investigating companies where there has been reckless or fraudulent management is high. I do not believe that sufficient money is spent on that desirable cause. I fully support the Government's aim to concentrate the services of the official receiver and the insolvency section on protective and investigative work. The Cork report referred to much of the present work of the insolvency service as being bureaucratic and wasteful. I am sure that those who are engaged in it work extremely hard, but accountants with a great deal of experience in that area have suggested that big changes are needed in the work of that department.

Mr. Lyell: I have listened carefully to my hon. Friend. Does he agree that if one is to investigate and perhaps bring forward successful prosecutions for fraudulent trading or its equivalent, it is necessary for the officials of the department of the official receiver to remain in post for many years? They should not, for example, move round the Civil Service after two or three years, but should remain in post. They should build up a real body of expertise so that they can recognise the symptoms, sniff out the warning signs and collate the material to bring forward a proper case.

Mr. Trotter: It is a specialist area. There can be nothing but credit in the suggestion that those involved should become specialists over a long period of time. Some people in the accounting profession say that the best way to deal with the problem is to transfer people from the Customs and Excise. I give that advice to my hon. Friend the Minister.

According to the 1983 records of the department, only two prosecutions were brought for failing to keep proper books, although both ended in convictions. Yet we all know that is a common occurrence. I am not saying that the majority of companies do it. They do not. However, of the thousands of companies that go into liquidation, a considerable number would not have kept proper books. The fact that only two prosecutions took place shows the present inadequacies. There were 16 prosecutions in 1983

for fraudulent trading, but only eight of them produced convictions for the reasons that I have already mentioned. The aim of the Bill—to simplify the procedures—will enable a transfer of official time to this important protective and investigative work.

There are proposed changes on the bankruptcy side, which should reduce the time of the official receiver. In 70 per cent. of bankruptcies there are no funds for the creditors. Unless there is reason to suppose that there has been fraud, they should be dealt with administratively as easily as possible. Many companies have no assets, or assets so small that they are not worth collecting. The Bill provides that those cases can be struck off without the paperwork at present necessary, and often the court work that is involved. That does not mean that such cases should not be examined to see whether offences have been committed but it means that bureaucratic paperwork will be cut out.

The general aim of the Bill is worthy. I shall conclude with two quotations from the Cork report. Both quotations are from earlier documents. As I have said, this is not a new problem, but goes back for many years. The Greene committee was set up in 1925 to look into the unsatisfactory features of insolvency, and reported 60 years ago. It stated:

"It appears to us, as a matter of general principle, most undesirable, in order to defeat an occasional wrongdoer, to impose restrictions which would seriously hamper the activities of honest men and would inevitably react upon the commerce and prosperity of the country."

The original proposals in the Bill for automatic disqualification fall down under that philosophy. However, that does not mean that we must leave the problem as it is. We must ensure that we have effective legislation when the Bill ends its passage through the House.

On the Second Reading of the Bankruptcy Bill 1883 Mr. Joseph Chamberlain, President of the Board of Trade, said:

"Every good bankruptcy law must have in view two main, and at the same time distinct objects. First, the honest administration of bankrupt estates, with a view to the fair and speedy distribution of the assets among the creditors whose property they were; secondly, following the idea that prevention was better than cure, to do something to improve the general tone of commercial morality, to promote honest trading, and to lessen the number of failures.

In other words, Parliament had to endeavour, as far as possible, to protect the salvage and also to diminish the number of wrecks."

These words are apt today.

5.57 pm

Mr. John Fraser (Norwood): I congratulate Sir Kenneth Cork on the thoroughness and sometimes radical nature of his report, and also on the cunning with which it compels one to read it. Many reports, especially large ones, contain in the first chapter a summary of recommendations and conclusions through which one can glance. That sometimes lessens the necessity to read the rest of the report. Sir Kenneth Cork makes his report a sort of treasure trail and the reader hunts from chapter to chapter picking up the recommendations as he goes. It exercises the minds of hon. Members and makes it necessary to read the entire report, unlike Marxism, the paperwork of which most people cannot get through in order to be a convective Marxist. I am glad that the report has at last seen some legislative light.

The Minister dealt with part 1, which is about insolvency practitioners, fairly briefly. I do not complain about that. I think he said that it may be necessary for bonding or insurance for insolvency practitioners. The Minister responsible for consumer protection is an extraordinary man. If one is an insolvency practitioner who is appointed to look after other people's debts, one is bonded and insured, but he claims if one is an estate agent and looks after other people's money, the free market operates in such a way that insurance is unnecessary. That is an extraordinary contradiction. A job of the Department of Trade and Industry should be to operate the law in such a way as to prevent people from getting into financial difficulty, to prevent insolvency occurring, and to avoid people having to use bankruptcy law or insolvency law to exercise their rights.

I give this contrast. Of course, if every estate agent is bonded, which was part of the legislation that I introduced, it would lessen the need for people to have to take bankruptcy proceedings, and it would lessen the likelihood of a customer's money being mixed up with the money belonging to the estate agent. It is an extraordinary contradiction that those who look after people who have nothing are insured for the purpose, but that those who might look after hundreds of thousands of pounds are not insured.

There is a lesson in that, and there are other lessons to be learnt. I agree with the National Consumer Council that we cannot consider insolvency in isolation. One job of Government is to examine the high-risk areas and to say, "Should there not be other mechanisms, such as an Estate Agents Act, which will stop people being duped out of their money?" I have no doubt that in high-risk trades—for instance, mail order trading, where people send money in advance—there should be a different, more stringent regime that protects the deposit paid in advance, so that if there is a bankruptcy that money is not deemed to be part of the company's money but can be repaid to the customer. We have such a system for travel agents, who use as their working capital the deposits which people pay towards their holidays. Luckily, there are few losses because a bonding arrangement operated by the Association of British Travel Agents protects members of the public. But if travel agents did not have that voluntary system, I have no doubt that the Government should impose one. They should intervene in areas where the consumer is at great risk.

Let me give the House another example. Many of my constituents have complained to me about worthless guarantees, for example, from roofing or damp proofing contractors. Many worthless guarantees are also given with televisions and video recorders. In this area, where, if people asserted their claims in full, those who gave the guarantees would become insolvent, it is the duty of the Government to intervene and to invent methods of consumer protection that would prevent the insolvencies and the abuses in the first place.

Those who engage in door-to-door trading — for example, roofing contractors — should be licensed. In South Australia those who engage in house repairs are licensed, especially where the consumer is at a disadvantage, as in the case of roofing contractors. The Government should intervene to prevent insolvencies in the first place, and certainly to prevent loss to the innocent consumer.

[Mr. John Fraser]

Individual bankruptcy, not in all, but in many cases, is humiliating, punitive, obscure, almost byzantine and extremely costly. I give the example of one of my constituents. He was a salesman who was advised by his pseudo employer to register for VAT because, although he was not earning £15,000 a year at the time, by so doing he could claim rebates on petrol and other expenses. I shall not weary the House with the details of the story but, because Her Majesty's Customs and Excise failed to take notice of a deregistration letter, he was made bankrupt for non-payment of VAT. I intervened and, as a result of correspondence with the Treasury, the amount of his debt was reduced by about £2,000 to the fairly small sum of £1,500. But the Customs and Excise had made him bankrupt, which precipitated the payment of national insurance contributions and the payment of schedule D tax, which is accelerated when someone ceases in business. He ended up with only a small debt to the Customs and Excise in respect of VAT, but he owed rather larger amounts to the Inland Revenue because of the accelerated payment of tax caused by his insolvency.

That man's only asset of any substance was his dwelling house, which he owned jointly with his wife, which was worth about £30,000 to £35,000. He had almost no debts apart from those to the Inland Revenue and the rating authority, yet I discovered that the cost of administering such a simple bankruptcy was about £3,500. It is extraordinary that about 10 per cent. of a man's assets can disappear in administration costs. In other cases of bankruptcy among my constituents, the administrative costs, sometimes on a fixed scale, were greater than the debt involved.

It must be wrong to have so byzantine and complex a system for dealing with insolvency that a person discovers that he can raise the money to pay his original debt but that he is up to his eyes in administrative costs. Any system that simplifies bankruptcy and removes such high charges must be good. The more the system can be simplifed without creating an injustice, the better.

Will the Minister tell us what has happened to the doctrine of reputed ownership in relation to individual bankruptcies? He is frowning at me. I shall give him an example. As bankruptcy law stands at present, if a man is trading alone and has the goods or stock of another person in his possession, the innocent supplier of the stock who retains its ownership can lose it to the bankrupt under the doctrine of reputed ownership. It would be helpful if the Minister could say something about a system procedure that does not appear in insolvency law for companies but causes hardship to individual suppliers where there is no intention that the stock or other asset should change hands.

Also in relation to individual bankruptcy, I should mention something that is wholly absent from the Bill, but which should be included in it. I shall talk about the rights of women, although I understand that sometimes we may be talking about the rights of men. However, more often women are involved. Of course, sometimes when a man goes bankrupt his wife has been in it up to her neck and has acted as a trojan horse. But in other cases, the woman must commit financial suttee when her husband becomes bankrupt. Women are often responsible for the home and the children, they have lived with the problem of dealing with creditors, borne the worry and often worked to put money into the home to sustain a husband who is faced with insolvency. But if a bankruptcy order is made against such a woman's husband, she risks not only losing the income from her breadwinner and facing the humiliation that bankruptcy inevitably brings, but she will be penalised in practice more heavily than almost anyone else by losing the matrimonial home. That problem is especially acute when she is not the joint owner.

In a compassionate age, we should make allowances for women and their children and dependants in those circumstances. After all, if a woman, knowing of her husband's impending bankruptcy, filed a divorce petition or a petition for judicial separation, she might then be able to gather to herself certain rights. For instance, when young children are involved, it is common for the court to say that the property should not be sold and that the woman should retain possession of it until her children cease full-time education. In extraordinary circumstances, for example, if there is a disabled child or the woman is especially vulnerable, the period can be even longer.

A person who may have lost the support of her husband and who may have gone through a harrowing experience as a result of her husband's insolvency, who is innocent in these matters and who has suffered emotionally as well as financially, should be given protection and support similar to that which she would receive in matrimonial proceedings. I hope that the Government will pay some attention to the difficult position of deserving women in such circumstances.

With corporate insolvency there is a problem with what some people have called, "Change the name and start again." Anyone who has examined company law or had anything to do with consumer protection will know of the appalling stories of those who set up a business under one name, take consumers' money, go into liquidation, and then start a second and even a third business. There is plenty of material from which one could spend hours quoting, but I shall give only one example from "That's Life.".

The programme told the story of the man who was involved in nine different limited companies, the activities of which stretched from mortgage broking to haulage contracting, from building to mail order lingerie and from employment agency to carpet cleaning. As each business collapsed, customers lost money. Some of the companies were put into compulsory liquidation, some were dissolved by the registrar of companies and one simply ceased trading. Despite that, the man in question seemed to go on with such activities, and there are hundreds of stories involving that sort of abuse.

Our insolvency law must stop that abuse of consumers. We recognise the abuse when it takes place, and something must be done to deal with it. One way in which the Government have dealt with it in part is by the concept of wrongful trading. By omitting the fraudulent content of wrongful trading as it now exists—by omitting criminal liability and by defining it simply as carrying on trading when there is little prospect of the debts of the company being met—the definition which makes the directors personally liable is helpful and clearly right.

It is not difficult to analyse the circumstances where wrongful trading takes place. If people advertise mail order goods and seek deposits from customers knowing that the goods are not in stock—knowing also perhaps that their on-going commitments, such as rates and rent and other commitments to their employees, are almost as great as the money coming in by way of customers'

deposits — it is clear from any examination of the circumstances that wrongful trading is taking place, and the directors should be personally responsible.

In my view, associates should also be made responsible. Often there are nominee directors, whereas the people behind them are making the real gains. I will give an example of an extreme abuse of which I have knowledge. A well known and prestigious firm of estate agents in London wanted to make some of its rent collectors redundant, but it did not want to meet its redundancy obligations. A limited company was set up to which was transferred the contracts of a number of the employees. As soon as that had been done, those employees were made redundant.

They might have been described as having been unfairly dismissed or made redundant. No matter. The liability was transferred to a limited company, and the employees concerned were not robbed of their redundancy entitlement because those sums were guaranteed by the redundancy fund. The real loser was the taxpayer. I believe that the company in question used nominee directors. The associates, the real people behind the operation, should have been made personally liable for wrongful trading in such circumstances.

Another example where liability should be fixed on others, apart from the directors, is where one member of a prestigious group of companies becomes insolvent. People find it difficult to know with whom they are dealing in a group of companies. They look not at a corporate identity but at a group identity and say, "This is a prestigious group. It must be safe to deal with this set of people." The group then dumps and liquidates one of its companies to get rid of a liability.

Where there has not been a misfortune such as a fire, and where the general ambience of the conduct of the organisation has been such that the consumer thought that he could rely on the prestige of the group, other members of the group should be treated as associates in terms of wrongful trading and personal liability.

In considering the vexatious question of the disqualification of directors, I am the first to admit—I say this having for many years urged disqualification as a remedy — from a recent personal experience that the issue is not as easy as it sounds. The example I give has nothing to do with professional work or payment. In my capacity as a Member of Parliament, I was asked to join the board of a company which was limited by guarantee. It was an industrial co-operative in my constituency. I took John Tilley's place on the board when he ceased to be a Member of Parliament.

I was on the board of directors for a few months. Not until there was a change of secretary and I got a fuller picture of what was happening to the company did I realise that somehing was wrong. I immediately suggested that we had an investigation. Within two or three weeks it was obvious that the company was insolvent, and we did the right thing and immediately put it into creditors' voluntary winding-up.

I should be sad if a Member of Parliament could not go on to the board of directors of a company under those circumstances, anxious to do a job conscientiously, without being at great personal risk. It can be shown in circumstances such as those that one should not be disqualified, because one had acted in good faith and conscientiously. However, there are many other circumstances when it is plain, by using accountancy experience and practice, that the directors bore a great share of blame.

The right solution would be to say that where a prima facie case is established on investigation that the affairs of the company were conducted in an irresponsible way which caused loss to those outside, the people concerned in the company should be subject to provisional disqualification unless they can assert, perhaps by filing an affidavit, that they were innocent of blame.

To rely instead on the work of the official receiver or on investigations by officials at the Department of Trade and Industry — the numbers of whom the Government wish constantly to reduce—will result in only a minimal number of disqualifications, and limited company law will continue to be a charter for fraud for the small minority who go in for such activities.

It is a pity that the Government have not found it possible to modify to some degree the advantages and powers exercisable, often by banks, in respect of floating charges. Examples were given in the Cork report of the way in which a bank with a floating charge can wait until a great number of innocent small business men have put their money or assets into a company over which there is a floating charge and can then strike at the point at which the bank can take the greatest amount of money.

I dealt with such a case in correspondence with Ministers. It arose during the Civil Service strike when civil servants refused to accept PAYE and social security contributions. The company in question was subject to a floating charge and the person I was asked to help was a mere employee who happened to be on the board of directors. The directors had taken the responsible step of setting to one side money, within the limits of the company's borrowing, which civil servants refused to accept during the strike.

Because of events entirely outside the control of those directors, the bank exercised its power under the floating charge to appoint a receiver and thereby gobbled up the money which civil servants had refused to accept during the period of their dispute with the Revenue. As a result, the employee directors, who had no personal stake in the company, were liable in some cases for hundreds of thousands of pounds.

The Minister has no need to make further inquiries about that case because, thank goodness, the Government altered the Social Security Act and absolved the directors from having to repay those social security contributions. The case therefore had a happy ending. It illustrates the way in which people—in that case employee directors; in other cases they may be innocent customers—can be disadvantaged unfairly by the exercise of the great power which the banks possess on floating charges, a power which is not possessed by smaller customers and those who deliver goods to companies.

On the whole, I welcome the Bill. I hope that I have not adduced too many Committee points. If I have, it is because I do not particularly want to be a member of the Committee. I wish the Bill well on its way.

6.20 pm

Mrs. Elaine Kellett-Bowman (Lancaster): Both sides of the House agree about the urgent priority of reducing unemployment by encouraging the creation of new jobs. The Minister with special responsibility for small firms at the Department of Trade and Industry, my hon. Friend the

[Mrs. Elaine Kellett-Bowman]

Member for Rossendale and Darwen (Mr. Trippier), who will be making the winding-up speech, has repeatedly said that one of the reasons why so many new jobs in small companies are created in the United States is that there is no stigma about bankruptcy there, whereas in the United Kingdom the stigma still remains. I am convinced that this is partly because when a man goes bankrupt there is all too often a domino effect. He takes other small companies, his creditors, down with him.

One of the aims of the Government in introducing the Bill, following the Cork report, is to help those small creditors. Another aim is to prevent the bankruptcy from occurring by reducing the positive incentives to preferred creditors to present a petition. However, I am bound to say that the other place is more enthusiastic about this than are the Government. Both of these aims would be achieved by removing the preferential status of Customs and Excise with regard to value added tax. I regret that in another place their Lordships withdrew an amendment to remove its VAT status.

Giving preference to Customs and Excise has two very serious ill effects. First, the fact that Customs and Excise is able to put its shovel into the pile first often means that there is nothing left for the small company creditor who, as Lord Mottistone said in another place, depends heavily upon getting out of the insolvent business some of the money owed to him in order to stay alive. This means that the small company creditor may himself be driven into bankruptcy, with the result that still more jobs are lost.

Equally important is the fact that its preferential position may encourage Customs and Excise to petition for bankruptcy at an early stage when it is still possible for the company to recover. The number of compulsory winding-up petitions presented by Customs and Excise in the last 10 years increased from 91 in 1974 to 1,230 in 1983. The number of bankruptcy notices served by Customs and Excise went up from 357 in 1974 to 2,212 in 1983. It is a staggering fact that if one adds together the number of winding-up orders, following petitions by the Inland Revenue and Customs and Excise, they account for no less than 26·9 per cent., or over one-quarter, of those granted. Similarly, if the two are added together they account for 25·5 per cent. of the receiving orders granted.

Once bankruptcy proceedings are commenced it is extremely hard for the debtor to recover because, as the hon. Member for Norwood (Mr. Fraser) observed, the legal and accountancy charges are so heavy that he probably ends up by owing two or three times the amount of the original debt. If the Customs and Excise preference were removed, it might not be in such a hurry to file petitions, although a Lords amendment to reduce the preference from 12 to six months may accelerate petitions.

It has always seemed to me that the directors of companies that go bankrupt get off very lightly compared with unincorporated traders. Therefore, I regret the fact that their Lordships overturned the Government's attempt to make the penalty more even for both directors of limited companies and unincorporated traders. If this were done, people would think more carefully about becoming directors and, having become directors, would keep a much sharper watch on the company's affairs, because they would no longer get off scot-free. Therefore, I very much welcome the provisions that will make directors personally liable for wrongful trading.

Another matter upon which the Cork committee consulted and recommended is the impact of insolvency upon the family home. I am bound to say that I am ambivalent about this. I can visualise only too clearly the hardship that can overwhelm a family if it loses not only the family business but the family home — a fate, incidentally, which has always overtaken farmers who cease farming, although this is often forgotten. Although to protect the family home for the benefit of the wife and children may seem to be eminently desirable, the fact is that if a man may not pledge the only asset he has he may never be able to get started in business. That can only work to the disadvantage of his family. However, the man should not be allowed to pledge the family home unless his wife also signs, regardless of whose name the house may be in. I am glad, therefore, that the Minister has issued a comprehensive consultation document on paragraphs 114 to 131 of the Cork report which deal with the family home, and I look forward with interest to the report on this matter.

Perhaps the most positive part of the Bill is contained in chapter II, clauses 13 to 18, which set up the new business rescue mechanism. It is a very good idea that under these provisions an administrator may be appointed at the request of a petitioner or company when the company is in difficulties. His job will to be rescue the company, or part of it, as a going concern. As the Minister said, this will give the new management a breathing space in which to try to rescue the company, or part of the company, as a going concern. If this proves to be impossible, he must secure a more advantageous realisation of assets than would be achieved under a winding-up.

These provisions give hope to companies which have got out of their depth, despite the immense efforts of the Minister responsible for small firms to give them advice at every possible stage. Sometimes, however, they have not gone beyond recall. I very much hope that the provisions will ensure that small companies have a higher survival rate.

I welcome the Bill as the first attempt for 60 years to make sense of our antiquated and very harsh insolvency laws and hope that the Government will accept amendments to improve it at the appropriate time. Some of the amendments that I should like to be made to the Bill do not appear to find favour in the eyes of the Government. However, a felicitous coalition between the Opposition and Conservative Members may persuade the Government in due course to change their mind.

6.27 pm

Mr. Allen McKay (Barnsley, West and Penistone): This Bill has been welcomed by both sides of the House. There must therefore be some good in it. As it is not the kind of Bill which is introduced every year, it is important that we should get it right. Its provisions will affect a great number of people, particularly now, and allow me to raise a constituency matter which on the face of it seemed not to be an insurmountable problem. However, as time went on I found that the circumstances of the case left a great deal to be desired and that the effects of insolvency led to unfairness in the case of workmen. I give credit to the Minister for the fact that after a few months I was able to persuade him that there was merit in my argument. Unfortunately, his decision came too late to help those constituents of mine who worked for the firm in question.

However, they told me that it gave them satisfaction that the fact that their plight had been drawn to the attention of the Minister had resulted in a change to the regulations which enabled help to be given to those who were made redundant in similar circumstances.

May I also refer to the problems faced by those who have signed contracts to buy new homes and then find that the builder has gone into liquidation. I refer to the home that was being built for Mr. and Mrs. Barber by Manston Homes, a firm which has gone into liquidation. In July 1984 Mr. and Mrs. Barber bought a plot of land and signed a contract with the builder. In September 1984 they paid a deposit of about £3,500. When they asked how long it would be before their home was completed they were told that completion date would be some time in October 1984. Therefore, they sold their home and moved lock, stock and barrel into lodgings. After a further two or three weeks they found that their home had not been completed and when they made further inquiries they were told that it would be ready on 7 December 1984.

While pursuing that matter, I realised that the firm had ceased trading in November 1984. Therefore, when the firm told the Barbers of the completion date, it must have known that it was running into insolvency. When it told the Barbers that the completion date would be 7 December 1984, there were already insolvency proceedings. I hope that the Bill will be tightened up to make sure that that does not happen again. It will not help the Barbers, but I would not wish to see others running into the same problem.

I talked to the National House Building Council about the case. The Barbers may be able to be compensated by the NHBC, but not fully. They have had to put their furniture in store, and it is still there. There is no home for the Barbers to go into. When I talk to the liquidators concerned, I get the feeling that, in doing their job on behalf of the creditors, and not on behalf of the consumers, they are holding people such as the Barbers to ransom. They are trying to find another builder who will take over the site. Possibly that is as liquidators should work, but those people's homes are nearly complete, and still need a few thousand to be spent on them, which they could get a builder to do. However, that work has been held up by the liquidators in the hope that it is the plum that will attract a new firm to take over the whole site. We should have a measure to make sure that that does not occur. I suspect that that is what is happening now.

The standard of building was fairly reasonable up to a point, but when the firm found that it was running into trouble, the standard of building left much to be desired. As a result those who are now occupying their homes have found water penetration. Walls have to be pulled down and rebuilt because of the type of material used. There is no compensation for that except through the NHBC, up to a limit of £5,000. Therefore, remedial works in the new home that cost more than £5,000 will have to be paid for by the person who bought the house. I hope that in Committee the Bill will be tightened up to make sure that such a situation does not occur again.

I should like to give a further example of transactions in working men's clubs in my area and in other establishments. A firm sold the clubs expensive video and television equipment. The idea was that the clubs would make a monthly payment and, because the video equipment showed local advertisements, the clubs would get a return from those advertisements. Unfortunately, the venture did not succeed. The firm has gone into liquidation. Now the clubs have found out that the expensive equipment that they purchased from the firm has been passed over to another firm so that they do not receive anything from the original firm but owe money to the second firm.

I hope that those points will be taken into consideration and that we make sure that that situation does not recur. The Committee can make sure that it does not happen.

6.34 pm

Mr. Tim Smith (Beaconsfield): The hon. Member for Barnsley, West and Penistone (Mr. McKay) has highlighted a tragic constituency case involving the insolvency of a building company and the effect on his constituents. It is impossible to say whether the Bill will have a beneficial effect. It sounded as if the company went into liquidation at a late stage. It may well be that in such a situation the administration procedure proposed in the Bill would have enabled the company to be run by the administrator at an early stage. Some of the difficulties might not then have been encountered.

This time last year, when the Bill was in its gestation period, it was reported that the Secretary of State had offered a prize of a bottle of whisky to anyone who could think of a better title than "Insolvency Bill". We are stuck with the same title, so I can assume only that either the prize offered was an insufficient incentive, or nobody was able to come up with a better title. That is a pity because this is a major Bill emanating from the Department. The title suggests failure and negativism. However, there is no reason why the Bill should be viewed in that light. For a start, the administration order that the Bill introduces for the first time is designed to secure the survival of the company as a going concern. I believe that it fills an important gap in the law.

The Cork committee concluded that in a significant number of cases companies have been forced into liquidation, and potentially viable businesses have been closed for want of a floating charge under which a receiver and manager could have been appointed. The hon. Member for Dagenham (Mr. Gould) mentioned the example of Stone Platt. There have been others during the recent recession. Although the administration order is viewed with scepticism in some quarters, I welcome it as a positive proposal designed to extract success from prospective failure. It will benefit the employees of companies as much as creditors.

Much of the debate on the Bill has been on the disqualification of directors and their personal liability. On the face of it, that, too, sounds negative, and many comments on the Bill have been precisely that. However, what is at stake is the public interest. There has to be a proper balance between the different and conflicting sectional interests. There are several clearly identifiable interests at stake. There are those of the shareholders, directors, employees and creditors of the company. However, there is more to it than just reconciling those different interests. The law confers the privilege of limited liability on the shareholders of companies. For that reason, in the public interest there should be corresponding duties or obligations imposed upon those who choose to take advantage of it, deterrent penalties for its abuse and some means of ensuring that its abuse cannot be repeated.

The Cork committee said that society required to be satisfied in respect of four matters—first, whether there is any blame or fault attaching to the conduct of an

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insolvent; second, that if his conduct merits it he should be suitably punished; third, that his opportunity to repeat such conduct should be curtailed; and, fourth, whether the responsibility for the insolvency is attributable to someone other than the insolvent.

The committee concluded:

"there is now universal dissatisfaction and frustration with this branch of the law. This is to be particularly deplored because it breeds both disrespect and contempt for the law in a context where there is a need to enlist public support in an endeavour to promote the highest standards of business probity and competence."

The committee highlighted previous attempts to improve the situation and referred to several instances which hon. Members have mentioned in the debate, which have also been raised by consumer organisations and programmes such as "Insight", "Checkpoint" and "That's Life". The Cork committee continued:

"It will . . . be a matter for reproach if the law remains complacent and fails to make any attempt to deal with everyday problems created by firms or companies which cease to trade, leaving work which has been paid for in advance uncompleted, but whose promoters are at liberty immediately to start afresh under a new name."

The existing law is clearly unsatisfactory. Section 9 of the Insolvency Act 1976, now section 300 of the Companies Act 1985, provides that where a person has been a director of two companies, each of which has gone into insolvent liquidation, the second liquidation having occurred within five years of the first and his conduct as a director of either company making him unfit to be concerned in the management of the company, the court may make an order that he shall not be a director for up to five years. That is unsatisfactory. The courts have made orders under that section on only a few occasions.

The Cork committee said that the court should be required to make an order in such circumstances and that only one company need be involved. The hon. Member for Dagenham seemed to be saying something similar to that which the Cork committee originally recommended. However, the Government departed from that recommendation in their White Paper in which the Government opted for the automatic disqualification of any director in the event of a compulsory winding up, whatever the circumstances. That proposal appears to have been prompted by a desire to reduce public expenditure by relieving the burden on the official receiver. That appears to have been as important a consideration as the point at issue.

As a result, critics were able to say that the rogues would escape before compulsory liquidation. The Minister made some modifications to the White Paper and explained some defences for automatic disqualification. However, he was on the wrong foot. That is a pity because there is nothing wrong with automaticity. It is not a question of assuming guilt. We are talking not about a criminal offence, but, as the hon. Member for Dagenham said, about removing the privilege of limited liability. I am not convinced that the Bill will deal with the abuse that undoubtedly occurs.

My hon. Friend the Member for Tynemouth (Mr. Trotter), a liquidator of many years' experience, said that in no case in which he was involved was a director prosecuted. That is because of the expense involved. A liquidator's primary duty is to the creditors and therefore he cannot go on what might be a wild goose chase.

Because clause 7 places a burden on the liquidator to report to the Secretary of State, the provision is unlikely to be effective and it is unlikely to deal with the wrongs about which complaints are made.

It is clear from the debate that the House of Commons takes a more robust view than the other place. Perhaps that is because we have constituents who are consumers and creditors. Constituents have written to us complaining about the activities of liquidators. A consensus has emerged from the debate, and I hope that the Government will accept the need to strengthen the Bill.

Over 1 million companies are on the register. Far too many people become company directors without having a clue about their duties and responsibilities. Company law is immensely complex. The 1985 consolidation measure contains 747 sections and is rightly described as the "Jumbo Companies Act". Section 309, which was section 46 of the Companies Act 1980, states that directors must have regard to the interests of their employees, but, apart from that, the Act contains no general statement about the obligations and duties of directors. There should be a general statement of directors' obligations.

The CBI and the Institute of Directors should do more to educate their members. They have attacked and undermined the Bill. The Institute of Directors, in particular, has an obligation to ensure that its members conduct themselves properly. I am sure that the majority do, but many directors take on responsibility without any idea of what is involved. I know that because I have been a director of a company.

The hon. Member for Norwood (Mr. Fraser) said that he became a director of a company limited by guarantee, and that it took him a few weeks to find out what was going on. Anyone who is invited to become a director of a company, before agreeing to accept the appointment, has an obligation to find out the details of the company's financial position. Many people become directors because they think that they gain status. Unfortunately, following the Finance Act 1984, tax advantages can be gained by trading with limited liability. That means that one can no longer argue that it is wise to disincorporate.

There must be as many as 2 million company directors in Britain. The various bodies responsible for them would do well to consider advising them better about their responsibilities. The Bill should perhaps include a statement setting out directors' responsibilities.

6.45 pm

Mr. Michael Hirst (Strathkelvin and Bearsden): I declare an interest — albeit remote — in that I was formerly a partner in Peat, Marwick, Mitchell and Co., the accounting firm which has an extensive insolvency practice. When I was elected to the House of Commons I resigned as a partner and became a consultant to the firm. That firm epitomises the best professional practice. If its professional standards were uniform throughout the country this legislation would not be required.

In my professional capacity I have nursed companies through technical insolvency and undertaken insolvency work. Anything that helps to keep a company afloat and to preserve jobs is welcome. I have seen the unscrupulous activities of rogue directors and the cowboy liquidators. Like the hon. Member for Dagenham (Mr. Gould), I have seen phoenix companies rise, often trading from the same address and continuing to defraud customers and traders.

I have written to the Minister on many occasions about flagrant abuses of the privilege of limited liability. My constituents and I have experienced a sense of frustration when the Minister has regretted that there was little that he or his Department could do. I welcome the Government's decision to legislate.

Much of the administrative detail involved in insolvency procedures will be contained in the rules. The Bill makes more than 50 references to the rules so, clearly, they are important. I regret that we do not know the shape or content of the rules, although we know about the main matters with which they will deal.

When will the rules be published? How wide will the consultation be and how long will it take? The views of practitioners must be obtained and appropriate amendments suggested. When will the rules be effective?

That part of the Bill which deals with qualifications for insolvency practitioners must be welcomed by all, because the activities of cowboy liquidators have caused anxiety. I hope that we shall see an end to the abuses which have caused many hon. Members to write to Ministers to complain. When the Minister draws up the rules for eligibility, will he consider carefully the definition of an "associate" in clause 207? Based on an admittedly limited experience, it appears to me that that definition of an associate is unreasonably widely drawn.

I appreciate that it is essential that a liquidator is shown to have independence and to be a man of professional standards. It is clearly undesirable that there should be any evidence of a conflict of interest. But surely it is somewhat unreasonable that a person should be disqualified from accepting a liquidation appointment merely because he has a partner in Aberdeen whose uncle may owe £3 to the insolvent company.

Mr. Fletcher: My hon. Friend is right. The rules are drawn too tightly in clause 207. We have it in mind to bring forward amendments in Committee that I hope will be more realistic and will meet the difficulty that we face. We must make sure that conflicts of interest are not allowed to hinder the practice of insolvency and make it possible in reasonable circumstances for people in business to carry out insolvency practices.

Mr. Hirst: I am grateful to my hon. Friend for that assurance. I am sure that all reputable and respectable insolvency practitioners will welcome the assurance he has given, which I think is a reiteration of the point that Lord Lucas of Chilworth made in another place some time ago when that Chamber was considering the legislation.

I am glad to note the end of the automatic disqualification of directors. In this respect I appear to be at variance with some of my hon. Friends and some Opposition Members. In a certain number of cases I believe that there would be an adverse effect upon the entirely reputable and innocent director who is often brought in to nurse a company through its difficulties. There is the skilled company doctor who is often put into a company as a director by a major creditor who may not have the right to make a receivership appointment. Such a person is brought in on the basis of his expertise and ability. There would clearly be an unwillingness on the part of such people to be prepared to take appointments as directors in companies which might fail if there was automatic disqualification. Moreover, I believe that there is merit in the view already expressed in the House that automatic disqualification could lead to thorough congestion in the courts by innocent directors seeking relief from disqualification.

I am glad that the Minister has voiced his unhappiness at the wording of clause 7. I too am unhappy. There must be considerable dangers in trying to put into words in a Bill a close specification of the nature and conduct of directors. The definition of "reasonable conduct" can quite properly vary depending upon the different circumstances, the size or the type of business. Many directors of small companies that go under would almost certainly be unable to comply with clause 7 as worded because they would probably not have the accounting resources to provide regular management accounts of any worth.

When the Government bring forward proposals to amend clause 7, will my hon Friend please be careful not to draw the proposals so tightly that the director is effectively inhibited from taking a normal commercial risk, which is the sum and substance of the way in which companies should be run? Indeed, when a company is in a difficult financial position, it may be less easy for it to follow the prudent, conservative trading policies that a larger company might follow.

Having said all that, I share the concern that has been articulated strongly on both sides of the House about delinquent directors. I hope that the wording will enable us to take the firm action that needs to be taken against directors who abuse the privilege of limited liability.

I wish to pick up one matter that was discussed by my hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman) about preferential creditors. My experience of constituency problems and the world in general confirms that many ordinary creditors are desperately upset when they find in a liquidation that all the free assets are being creamed off to pay the preferential creditors, and, almost without exception, they are Government and local government bodies.

The Cork committee urged a substantial reduction in preferential creditors' rights. I note that in another place the preference given to Customs and Excise in respect of unpaid VAT was reduced to six months. There must be a clear anomaly between one Government Department having preferential rights for six months and the collector of taxes having preferential rights for 12 months in respect of unpaid PAYE and national insurance. While I wish that anomaly to be put right, I believe that a delicate balance has to be struck in leaving a preferential right with the collector of taxes for PAYE and national insurance and not harrying a small, growing company to pay promptly its PAYE and national insurance contribution to the extent that the company finds it difficult to grow.

In referring to the preferential creditors, I cannot overlook the position of the public utilities, which invariably find themselves in a position to blackmail insolvency practitioners by use of their monopoly powers. It is frequently the case on an insolvency appointment that the first telephone call that the insolvency practitioner receives is from the gas board, the electricity board or the telephone company stating that it refuses to reconnect the supply until the outstanding account is paid. In my view, that gives the public utilities an improper advantage over all other unsecured trade creditors.

I was glad that the Minister, in answer to a written question last November, stated that it was his intention to introduce in the Bill provisions to prevent this taking

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place. Moreover, when the matter was discussed in another place, I notice that my noble Friend Lord Cameron of Lockbroom confirmed that

"The Government will be bringing forward some amendments to the Bill during its passage in this House." — [*Official Report, House of Lords*, 15 January 1985; Vol. 458, c. 876.]

I hope that the Minister will be able to give me a positive confirmation that the anomaly of unfair preference accorded to the public utilities will be ended.

Mr. Tim Smith: The Minister said that in his speech.

Mr. Hirst: It was a fairly long speech. If my hon. Friend the Minister gave such a confirmation, I welcome it unreservedly.

Mr. Fletcher: Indeed, I confirm that we fully intend to take away what is in fact a bogus preference with regard to the monopoly utilities by tabling amendments in Committee. On the question of the anomaly between VAT and PAYE, I agree that that should be removed. It is proposed to make the period 12 months for both.

Mr. Hirst: I think that I can say with a degree of certainty that there will be some very unhappy potential trade creditors after the Minister's words on that point.

I recognise and welcome the intention of the Bill through the administration and receivership procedures to give companies in financial difficulties the chance of recovery. In my experience, one of the reasons for needless liquidations has been the operation of the rule that allowed VAT bad debt relief only in cases of liquidation. There are well documented cases of substantial, unsecured trade creditors getting together to pre-empt the work of the receiver by putting a company in difficulties into liquidation in order to obtain VAT bad debt relief. I welcome the provision in this year's Finance Bill to go some way to relieve the position.

I am sure that the Minister will agree that it can be very difficult at the outset of a potential insolvency situation for an insolvency practitioner to state categorically whether there will be any assets available to the ordinary unsecured creditors. Stock values, the value of property and the goodwill of a business can sometimes take a considerable time to realise. In the early days of an insolvency, it is difficult to ascribe accurate values which would enable the insolvency practitioner to make that sort of statement to an unsecured creditor. It would be much simpler to allow relief on appointment to all trade creditors with them making an adjustment as and when a subsequent dividend was paid.

I echo the comments of the hon. Member for Dagenham about an insolvency court. Sir Kenneth Cork advocated such a court as a forum for the speedy and informal resolution of judicial matters affecting insolvency. If use is made of the Bill to disqualify delinquent directors from holding office, there must be a great advantage in having a court which has specific powers to develop a body of expertise and experience on what should be the conduct of directors. Moreover, it would be able to judge consistently directors' behaviour.

One of the potential flaws in the Bill lies in the references to the High Court or to the appropriate court in Scotland. The judge who hears an insolvency case might not necessarily be able to take an even-handed view of a director's conduct. It is difficult to put into words what constitutes unreasonable or improper conduct. A slightly looser definition in the Bill, supplemented by an insolvency court to judge these matters, would provide a more satisfactory way of taking firm action against delinquent directors.

My hon. Friend the Member for Bolton, North-East (Mr. Thurnham) referred to some of the difficulties of the administration procedure. It is clear from a fairly cursory examination of the Bill that some problems will arise from the suspension of security rights and the subsequent application of the rather complicated procedures for enhanced priority under clause 31. My hon. Friend the Minister may well agree that problems are likely to arise with the position of the holders of second charges, but perhaps it is not appropriate to discuss such matters on Second Reading. That should not be misinterpreted as a request to serve in Committee.

I must take up the example which has already been given of a subsidiary company which can be cut loose from the parent company with apparent ease when it piles up debts. I recently took up with the Minister the case of a company that went under, leaving literally tens of thousands with worthless guarantees. The hon. Member for Norwood (Mr. Fraser) spoke with great conviction about a constituency case where that had happened. I know that many are induced to trade with a seemingly reputable and financially stable company if they believe that it is part of a strong and prosperous group. Often similar trading names are used. It is often, therefore, a rude awakening and a shock for unsecured creditors when they find that subsidiary X, with a similar-sounding name to its prosperous parent, has been put into receivership or liquidation and they find themselves with a credit that is not likely to be realised.

The Bill does not offer protection to creditors — innocent people—when a subsidiary is liquidated in the circumstances that I have outlined. I accept that many hours have been spent considering the Bill, but I ask the Minister whether he can hold out any prospect of action being taken to deal with the dangers that I have put before the House. I hope that suitable amendments will be tabled in Committee.

It may appear that my contribution has been directed almost exclusively to potential problem areas in the Bill and omissions. That does not cloud my general welcome for what I believe is a long-overdue reform of insolvency law.

7.5 pm

Mr. Spencer Batiste (Elmet): I welcome the Bill in its general terms as it is clear that the present state of insolvency law is unsatisfactory. First, I declare an interest as I have been a director of companies of various sizes, holding both executive and non-executive status. I am a vice-chairman of the Small Business Bureau, which has a strong interest in the Bill being right. I am in practice as a solicitor and as such I have seen the effect of many of the inadequacies of the present system. In addition, I am a constituency Member and I have appreciated through the eyes of my constituents many of the problems which have been described during the debate. I shall direct myself to the parts of the Bill that relate to limited liability and disqualification, especially the areas of concern to which reference has been made in another place and elsewhere.

Limited liability is a vital mechanism in the free enterprise system. Without it there would be a much lower

level of business start-ups, especially in new technology and small business sectors. The need to promote the new ideas that are so necessary for Britain form an important backcloth to the Bill. Limited liability has been described as a privilege. It is, but it is a privilege which is at the heart of our system and it has been there since the days of the industrial revolution. In assessing a major change, we must consider the effect of the change upon the scope of our economy.

The hon. Member for Dagenham (Mr. Gould) said at the beginning of his speech that currently there is a record number of business failures. That is true. The opposite side of the coin is that there are record numbers of business start-ups. The two go hand in hand. They are linked because more people are being encouraged into business start-ups. That being so, it is inevitable that more businesses will fail, for a variety of reasons. If our priority is to create and preserve jobs, our policies must be oriented towards encouraging more start-ups and to improving the survival rate, which is not high enough. In taking that course, it is almost inevitable that there will be a high rate of business failures. That is a hallmark of a dynamic economy.

The Bill must be judged by the criteria of job creation and job preservation as well as by balancing other competing interests. There is a tendency, unfortunately, to regard all insolvency as being blameworthy. It is not. Insolvency happens for a variety of reasons. Under-capitalisation is one of them. We could increase minimum capital reqiirements for a company formation if we were minded to do so. Other reasons for company failures are market changes that have an effect on a company's products, increases in interest rates, variations in exchange rates, the bad debts of other companies and ineffective strategy on the part of the directors.

When those factors—there are many others—beset businesses, the consequences are often not dramatic or sudden. It is more normal for them to build up over a period. In framing judgments within the Bill, we must distinguish between insolvencies that are due to misfortune, those that are due to wrong judgments honestly made, those that are due to incompetence or negligence, and those that are due to fraud——

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): And those that are due to Government action.

Mr. Batiste: —and those that are due to an Opposition who have done nothing but undermine confidence in Britain and its economy from the moment that the Labour Government departed from office in 1979.

It is easy to identify frauds and it is necessary only to recite the facts of frauds to understand that those who have conducted them must be caught by the Bill, disqualified and made to recognise a personal liability for the debts of the businesses which they have fraudulently and often heartlessly run up, at the cost of the innocent consumer.

When we move closer to the borderlines, however, the judgments are not so clear cut, especially when we are drawing a line between incompetence and wrong judgments. That is the territory into which the legislation takes us. We must look particularly at the position of small businesses. The Cork committee was essentially big-business oriented. Labour Governments have imposed on small businesses the ICI's standards of management—a burden for which they are ill-equipped and which they are incapable of sustaining.

Small business cannot afford the expensive advice and systems that are available to larger businesses. That is why the Government have undertaken many measures since 1979 to bring relief to small businesses and to provide them with advice and assistance—for example, through the enterprise agencies and the advisory service. Assistance is also widely provided by non-executive directors. It is not feasible for a non-executive director to monitor in detail the activities of a small business. He must be able to rely with reasonable certainty on the fact that he will not thereafter be penalised by law for acting on what he was told by the executive directors of the business.

It is easy to be wise after the event and, with the benefit of hindsight, to double guess what happened in the past. Often timing makes the difference between success and failure. Liability for disqualification and for wrongful trading must only follow genuinely blameworthy conduct.

I disagree with my hon. Friend the Member for Beaconsfield (Mr. Smith) on the issue of automatic disqualification. Automatic disqualification is wrong in principle, and I am delighted that the other place amended the relevant clause and that the Government have accepted the change. Whatever my hon. Friend says about automatic disqualification not carrying a stigma, the fact is that a director who is automatically disqualified and has to justify his position does carry a stigma. It would be widely seen as a stigma. This process would dry up the supply of expert advice which might otherwise be available to company directors.

I agree with my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Hirst) that clause 7(2)*(b)* is too tightly drawn and that the Government should examine it again. My hon. Friend the Under-Secretary of State has assured us that the Government will do so.

Clause 7(3) provides an important safeguard for directors, although not necessarily in its precise words. Some guidance must be given as to the test that the courts will apply in considering the judgment of directors. This leads me to the general question whether it is appropriate to have criteria to judge the unfitness of non-executive directors and executive directors alike. Last year, there was great controversy about the general questions arising from section 152(4) of the Social Security Act 1975.

The case of the Department of Health and Social Security *v.* Evans and others, which was reported in *The Times*, arose from that legislation. The judge's comments in framing a test that was reasonable to impose upon directors' actions are apposite to this legislation. The report of the case states:

> "Under section 152(4) . . . the question whether any individual director of a company 'could reasonably be expected to have known of that company's failure to pay national insurance contributions was a question of fact which in each case would probably depend on the nature of that director's position and responsibility in regard to the management of the company and the relevant information known to that director'".

That is a reasonable basis for a test. I hope that my hon. Friend the Under-Secretary of State will bear in mind that framework and those criteria when applying them to clauses 7 and 9.

When does a company become insolvent for the purposes of wrongful trading? It is easy for a person, with the benefit of hindsight, to look back over a trading pattern and say, "At that time, the company became insolvent." It is much more difficult to judge that when one is running

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the business concerned. Often a judgment about whether a company is solvent or insolvent depends upon, for example, the valuation of assets.

A case under section 152(4) which came to me several years ago via the Small Business Bureau related to a company that had believed that it was solvent, based upon a valuation of the company's premises in Sheffield. Because of the activities of the Labour council in Sheffield, which has done so much to demoralise business and to undermine property values, when the business went into liquidation it was discovered that the value of the property was vastly lower than it had been only a few years before. The DHSS sought to recover from the directors the arrears due under that section.

That is merely one example of the way in which directors can, unwittingly, wrongly judge whether a company is solvent or insolvent. This uncertainty could adversely affect the number of people prepared to assist businesses. One of the hallmarks of a successful business is its ability to attract to its board a variety of people, who will not necessarily be adept at all levels of company management or who will not necessarily all be accountants, but will provide a good package of skills. The more risky and more uncertain we make it for company directors to share skills in that way, the more likely it is that they will not do so. Consequently, companies will not prosper.

Mr. Lyell: My hon. Friend is dealing with the balance between the onus on a director, which might lead him to be disqualified, and the protection for creditors or others affected by a company's dissolution. I well understand that my hon. Friend is a business man. He is anxious that too great a burden should not be imposed upon directors and that there should not be too great a risk of disqualification.

As my hon. Friend is well aware, this aspect is protected to a great extent by the fact that applications for disqualification under clause 7 must be made by the Secretary of State. At the moment, the initiative comes only from the Secretary of State, if he has information —this is unlikely in most cases—or from the official receiver who is called to wind up or from the liquidator who, by his nature, may not be interested in applying for disqualification. Since the protection of the Secretary of State is available, would there be any objection to a creditor, who had suffered seriously from the defalcations of the company, applying to the Secretary of State and thus initiating a disqualification proceeding?

Mr. Deputy Speaker (Mr. Harold Walker): Order. Interventions should be brief.

Mr. Batiste: My hon. Friend has made an important and telling point. Although there is the safeguard of the judgment of the Secretary of State on whether to initiate proceedings, the Secretary of State must be able to base that judgment on information in his possession.

Many liquidators and official receivers deal with a large number of companies. Information will often not be in their possession. This happens particularly with the phoenix type of system—a man sets up a business, it becomes insolvent, and he moves on, having milked it of all its assets. I think that everyone agrees that such people should be caught by the legislation. The people interested in passing on information would be either creditors of those businesses or the media, who have been pursuing such people over the years in their consumer programmes. I should have thought that most of them would not be averse to passing their information on to the Secretary of State. I would not think for one moment that, if such information were in the possession of the Secretary of State, he would refuse to consider it. In those circumstances, he should have the power to consult the official receiver or liquidator to see whether an application to the court should be made. I do not think we need include in the Bill the right for a creditor to make an application to the Secretary of State. Creditors will know that the Secretary of State has those powers and will bring the information to his attention if they think it relevant.

Mr. Hirst: Does my hon. Friend accept that the liquidator is in a better position to judge the conduct of directors than a creditor or some other third party who might approach the Secretary of State? If he does, does he believe that there is any merit in the proposal that the liquidator should be under a duty to report to the Department of Trade and Industry whether there is anything in the conduct of the directors which suggests that further action would be appropriate?

Mr. Batiste: Given the fact that the Bill will strengthen the requirements for insolvency practitioners, the liquidator would be in the best position to judge whether the directors were guilty of blameworthy conduct. In all reasonable circumstances, the liquidators would pass that information to the Secretary of State with a view to his taking action.

A liquidator cannot pass information of which he is unaware. Publicity which surrounds a winding-up, after the liquidator has ceased his involvement with it, may draw the matter to the attention of creditors in other parts of the country. It would be unrealistic to expect the creditors then to return to the liquidator. They should be able to feel that they can go to the Secretary of State directly, or through hon. Members, to explain the circumstances. The Secretary of State may then require further investigation to see whether there is substance in the complaint.

It is clear, as my hon. Friend the Member for Strathkelvin and Bearsden and my hon. and learned Friend the Member for Mid-Bedfordshire (Mr. Lyell) have said, that frauds must be stamped out. This should not be legislation that throws out the baby with the bath water. That is what we are arguing about. We are all clear about the dirty washing that we must clean with this legislation.

Mr. Lyell: Before my hon. Friend leaves this interesting and important point, will he turn his attention to clause 7(5), which provides:

"no application may be brought under this section later than one year after the date upon which there is a resolution to wind up the company".

Knowing how quickly time passes and how long it may take a creditor or creditors to get themselves together, or the media to bring pressure in one of these scandalous cases, does my hon. Friend think that one year is rather too tight a time limit? We do not want matters to go on for ever and we do not want directors to feel unduly harassed by long-standing risks. Two years might be more reasonable than one year, or otherwise we might find many of the phoenix operators escaping through the lapse of time.

Mr. Batiste: I am grateful to my hon. and learned Friend for mentioning that important point. It must be common ground that there must be a limit to the time during which a person is at risk. A one-year time limit is not unduly out of order. The difference between one and two years is not a great matter of principle. I should be more inclined towards the shorter time limit because people move on and there must be a limit to how long they should be expected to protect their backs from things that happened after they had left a company.

My hon. and learned Friend has brought my attention back to the actions of the DHSS under section 152(4) of the Social Security Act 1975.

Mr. Richard Page (Hertfordshire, South-West): I have been listening with great interest to what my hon. Friend has said about the responsibilities of directors, in particular, those of small businesses. As there is no doctrine of collective responsibility within the board room, does he advise non-executive directors of small businesses to ensure that crucial decisions taken at board meetings are carefully documented within the minutes so that they can make their positions clear if something unfortunate happens later?

Mr. Batiste: My hon. Friend has mentioned the point that I made earlier, that the Bill may force upon small businesses a pattern of conduct and management which is different from the way in which they traditionally carried on business. I do not say that all small businesses carry on in a way that a reporting accountant operating on behalf of a large and respected firm of chartered accountants would feel is desirable. Small businesses create a large number of jobs. They are often run by people who have been made redundant and who have taken their redundancy money and set themselves up in business with the Government's encouragement and the enterprise package that they have put forward. Such people are not experts on the drafting of minutes or board room procedure. They know their trade, and they are trying to carry it out for their own benefit and that of the community and their employees.

There will be a problem if we impose upon small businesses hierarchical management practices appropriate to a much larger company. My hon. Friend the Member for Hertfordshire, South-West (Mr. Page), who is vice chairman of the Small Business Bureau, will be aware that in many small businesses formal board meetings are a rarity. Most decisions in small businesses are made informally when the people involved happen to be together. That is one of the strengths of a small business. It can respond quickly to circumstances and is flexible. It does not have to issue notices of directors' meetings and then produce carefully noted minutes whereby everyone protects his position.

In an ideal world, that should perhaps happen. It is unlikely that many small businesses will change their ways of operating to fit in with that. It is more likely that a considerable number of small business men will go bankrupt as a result of the legislation.

Mr. Fletcher: My hon. Friend the Member for Elmet (Mr. Batiste) has referred twice to an important point. We should not believe that small businesses are run in the same way as a large company such as ICI, with formal board meetings and minutes passing around the table. I take that point. I wish only to draw the attention of my hon. Friend and other hon. Members to clause 9(4), which lays down a general approach. It provides:

"the facts which a director of a company ought to know or ascertain, the conclusions which he ought to reach and the steps which he ought to take are those which would be known or ascertained, or reached or taken, by a reasonably diligent person having both—

(a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company; and

(b) the general knowledge, skill and experience that that director has."

I hope that that shows that the point that my hon. Friend the Member for Elmet legitimately makes has not been ignored in the Bill.

Mr. Batiste: I welcome that observation. However, I draw a parallel with the provisions relating to unfair dismissal in the general employment legislation, in which very similar clauses were included with a view to allowing industrial tribunals to take account of the size and resources of the businesses coming before them. The tribunals took a considerable time to adapt themselves to the changing standards. I accept what my hon. Friend says. I am delighted that he has made that point and I hope that his words will receive wide attention. I appreciate that he has discretion about which matters go forward and which do not. Civil servants may draft such clauses, but they have to be interpreted by the men who will be affected by them.

Directors will want to know whether they will be more seriously at risk as a consequence of the legislation if they behave in a way that they regard as reasonable and fair in their circumstances. I am sure that they will be comforted by what my hon. Friend has said. However, he should make it clear that the same standards will not be expected when he exercises his judgment on small businesses as would be expected in the case of more substantial organisations with more formal structures.

Mr. Richard Page: I welcome my hon. Friend's championship of the cause of not putting more burdens on to the directors of small businesses. However, does he not agree that the small business sector has suffered from a lack of correct, tight managerial control? Numbers of small businesses that have started up and gone bankrupt have been shown to have suffered from a lack of expertise, not about their product or service but in the financial controls on what they were doing.

Management skills and directives would be helpful in making sure that such companies kept going. Close adherence to management rules and regulations might be a real help.

Mr. Batiste: Anything that can be done to improve management performance must be welcomed. However, most people setting up their own small businesses for the first time will have had little or no formal training in what is required of a business. Unfortunately, only limited opportunities are available in schools to enable people to learn what is required in management structures, and when people set up their own businesses there are not many obvious places to which they can turn for the advice and training to which my hon. Friend refers.

Since 1979, the Government have done a great deal to help. However, our whole thrust in terms of economic policy, and a great measure of our success in creating

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600,000 new jobs in the past two years, has been achieved because we have encouraged people to set up new businesses — to have a go. Such people will not necessarily have the background and experience that would enable them to do the things that may be called for in the legislation. Ideas of management accounts and cash flow forecasts, which are very important to the successful running of a business, will be on the whole alien to them. The participation of non-executive directors in small businesses should be encouraged as a matter of major public policy.

Before I was diverted, I was about to explore the possibilities of differences in the period of limitation.

Mr. Hirst: I understand my hon. Friend's concern about possible impositions on small firms. Rather than detailed prescriptive legislation about the precise conduct on the part of a director that would give grounds for disqualification, might it not be better if the statutory detail of what constitutes the duties of directors and wrongful trading were looser and if it were left to the insolvency court to make a judgment on the specific circumstances of the case?

Mr. Batiste: Whichever course is followed, people will be aware, after three or four years, of what is required of them—if only because by then the courts will have established a pattern of case law that people can observe. The argument against having a general test for the courts to interpret is that many people will fall foul of the law before a realistic framework of case law is established. That was what happened when employment protection was introduced. The legislation caused considerable problems for small businesses while it was settling down. The problems of those early years were largely the cause of general resentment among small businesses about many aspects of employment protection that are no longer justified by the legislation itself, which has long since been changed. It is easy to create a mythology about legislation and much more difficult to kill that mythology when it is no longer justified.

I have already referred to the question of the time limits beyond which a director may be free from attack. We had a debate last year about section 152(4) of the Social Security Act 1975. We had all received many representations about it, not least from the Institute of Directors which highlighted a number of cases that caused considerable concern. I should like briefly to outline one of those cases. A director of undoubted professional competence and integrity resigned from the board of a company when it was solvent. He was unaware at the time that it had substantial arrears in payment of national insurance contributions. Two years later, the DHSS claimed £130,000 from him under section 152(4). Such cases occurred all too frequently under that section. I hope that my hon. Friend will make it clear to those involved in the management of businesses, who regard the Bill with a measure of trepidation, that it will not cause problems similar to those created under section 152(4). I hope that the widespread resentment and concern occasioned by that section is well and truly buried and will not be revived today.

Mr. Fletcher: A guarantee such as my hon. Friend asks for would depend upon the position that the courts take in interpreting the legislation, and we cannot know what that will be. However, clause 9 on wrongful trading gives the courts powers to decide whether a director wilfully continued to incur liabilities when he knew, or should have known, that he could not meet them. That is a great improvement on the position under section 152 of the Social Security Act. We have included all the financial penalties in that respect that might apply to directors in one piece of legislation, and indeed in one clause.

Mr. Batiste: That is an important point. I hope that once the legislation has been passed the Government will extensively publicise its effects. That would help to set at rest the fears that have been aroused.

I welcome the ending of Government preferred creditor status. Many businesses that experience a considerable bad debt feel that the Government is better able than they are to bear the consequences of the insolvency of another business. The domino effect of an insolvency cannot be underestimated. The Bill provides for the abolition of preferential status for corporation tax, income tax and capital gains tax. That is welcome. My hon. Friend the Minister said today that he will act to prevent utilities from using their monopoly muscle to prefer themselves to other creditors. Small business men might hope that, while the Government are doing that, they will ensure that some local authorities and some larger companies which are in a good state of financial health pay their debts to small businesses more promptly, as such debts are a considerable cause of financial difficulty for them.

Having gone so far, I find it difficult to understand why my hon. Friend the Minister cannot go just a little further and deal with VAT on precisely the same basis. I hope that, as the Bill wends its way through Committee, enlightenment on this matter will come upon my hon. Friend or, more likely, that he will be effective in persuading his right hon. Friends of the sense and consistency of such a proposal.

Mr. Hirst: Does my hon. Friend agree that, in most instances of insolvency, the list of creditors tends to produce unpaid PAYE, national insurance and VAT which, by virtue of the preference, extinguishes all of the free assets? Does he further agree that the Government's intention to restore the preference for VAT to 12 months will leave unsecured creditors no better off as a result of the Bill?

Mr. Batiste: That is an apt pronouncement, and true. I see no reason why there should not be parity between creditors in those circumstances. I hope that my hon. Friend the Minister's generosity in announcing the relaxation of other aspects of tax will not result in those Departments becoming more trigger happy in winding up companies. He said that he deprecates the unnecessarily early winding-up of companies when it is possible to save them.

There is no point of difference in principle between those who have spoken today. The difference is one of judgment about where the borderline should be drawn and how the competing interests should be balanced. The fraudulent must be stopped and everybody will support measures to do that. The judgments of another place were quite sound on many of these issues and I am glad that some have been accepted by my hon. Friend. I wait with interest to see what improvements he will propose for the others.

7.42 pm

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Only one thing amazes me about today's debate —how few right hon. and hon. Members are in the Chamber. I am amazed at that, bearing in mind how full the House is of lawyers. Nearly all of those lawyer right hon. and hon. Members are not here this day. What a bonus the Bill is to them. What a Christmas tree and a feast it will be for years to come.

We wish to simplify matters so that justice can be done. It is right and proper that people in business should be able to get simple justice, but what does it take to get that simple justice, apart from the fortune which will be lost because a person will be put into liquidation anyway? Two groups of people will not lose—Government creditors and yes, you guessed it, lawyers.

The Bill is the East Lyn of company law. It is 211 clauses long. That is what it takes to get simple justice. It also has nine schedules. It has 207 pages, but tucked away on page 201 we read that solicitors can be appointed without anybody's permission, and without the permission of the committee of inspection. It properly says that the committee of inspection must be informed that he has been appointed.

I cannot believe that we need 211 clauses, nine schedules and 207 pages. The Bill costs more than the Holy Bible and it will be more difficult to judge what is right and wrong from it. That is how lawyers will make fortunes yet to come. It costs £10·20. It will take a pretty rich bankrupt to buy it.

Savings have been mentioned. All efficient Governments should talk about savings. Even if it costs £10.20 and it takes 58 lawyers to decide whether somebody is a crook, honest, bankrupt or still solvent, even solvent people will be bankrupt having paid all the charges. We are told on page xix in capital letters—that is how it should be, so that we all know that savings are being made—under:

"FINANCIAL AND MANPOWER IMPLICATIONS

The Bill is expected"——

It is expected, not will or should. We all know what expected means. The Bill is expected

"to result in a reduction of 40 staff and a corresponding decrease in staff costs of £280,000 a year. There will be some reduction in the fee income in the Insolvency Service."

If you believe that there will be a saving of staff and that there will be a £280,000 saving, you are living in a different world from me, Gunga Din.

Mr. Deputy Speaker: Order. It is not for me to believe that there will be savings.

Mr. Beaumont-Dark: I was not for a moment suggesting that you are Gunga Din, Mr. Deputy Speaker. I was suggesting, through you, that those who advise the House might think like Gunga Din.

Mr. Fletcher *rose*——

Mr. Beaumont-Dark: You are not Gunga Din.

Mr. Fletcher: No, I am not and I am not the son of Gunga Din either. I know that my hon. Friend is terribly keen on public expenditure savings. That is why he is the only hon. Member to have referred to this matter. Perhaps I might prick his conscience a little. I know that he was glad that automatic disqualification was removed, but the penalty has been a reduction in public expenditure savings.

Mr. Beaumont-Dark: I am delighted that my hon. Friend has brought that matter up yet again. I hope that the Government and this Parliament put justice higher than savings of £280,000 or £380,000. If my hon. Friend the Minister is suggesting that we should have one tyrannical clause after another because we might save £100,000 here and £100,000 there, I would ask him not to ask me to search my conscience but to search his conscience to consider whether he is right to suggest that cost is more important than the receipt of justice.

My hon. Friend said that I want to soften some of the Bill. I do not want to soften anything. My hon. Friend said recently to the *Financial Times:*

"We have to be careful of those who agree in principle but in detail would hamstring the clause, to the extent that it would be impractical in operation".

We have a Bill of 211 clauses and 207 pages, costing £10·20 to buy and with thousands of lawyers having to pore over it before a decision can be reached. It is impractical that we cannot get to the nitty-gritty of this without such a vast Bill. It is bigger than the Finance Bill, in which we are talking about £48 billion.

The CBI does not wish to support crooks. The Birmingham chamber of industry and commerce—the biggest chamber of commerce in the country—does not want to support crooks. Lord Benson, who is one of the most eminent financial men in the country and has led a life of complete financial probity, is not in favour of doing something that benefits crooks.

It is vital that we do not make business failure a near crime. It would be very strange if people willing to strive to build a business were told that if a business succeeded they would get a knighthood or go to the House of Lords, but if it failed they might never sit on the board of any company again. Capitalism can never be built or hope to survive on that basis.

The Birmingham chamber of industry and commerce and the CBI are asking that we, sitting in the cosiness of this House, should recognise that the speed of disaster can often be beyond the powers of reasonable people to remedy even if they act in time. Banks are not the greatest institutions for taking risks or even, very often, for analysing a balance sheet.

Mr. Thurnham: The Midland bank recently invested in a speculative proposition in America which showed just how difficult it is to make these judgments.

Mr. Beaumont-Dark: I am obliged to my hon. Friend for pointing out that one of our greatest financial institutions did not know whether it had bought a pig in a poke. It turned out that the pig in the poke cost something like $280 million, and it is still counting. So it makes one tremble that people can look at poor Joe Soap's balance sheet and say that he was in business but now he is not.

We need good, qualified business men—and the Institute of Directors, the CBI and the Birmingham chamber of industry and commerce have a register of these —who will help other people with the necessary risk ventures that we all wish to support. Small businesses can grow only if the best people are willing to serve in them. Their Lordships, the CBI and the Birmingham chamber of industry and commerce are not asking that we should let crooks off, but the idea of automatic disqualification—as in the case of drunken driving, because it endangers the

[Mr. Beaumont-Dark]

lives of others—is not appropriate. If that were done, I believe that those people who were thinking of helping others would decide not to do so.

A very prominent former chairman of one of the great industrial companies agreed to go on the board of a company in order to help it, and it failed. This was not because he was a crook or a fool, but because these things sometimes happen. All venture must mean risk.

We want to be able to get rid of the crooks. We want to stop people bankrupting companies, salting the money away and then setting up in business again. I have the greatest admiration for your officials, but it is amazing that they can, in 204 pages, encapsulate——

Mr. Deputy Speaker: Order. My officials have nothing to do with the drafting of this Bill.

Mr. Beaumont-Dark: It is amazing that Government officials, Mr. Deputy Speaker, can produce 204 pages and still come up with something which in my view could damage enterprise and people serving on the boards of companies.

From the look of the House, this is not going to be a hugely controversial Bill. I have the greatest admiration for the two Ministers who I know are going to see this Bill through the House. I know that at least one of them has done something about building small businesses and, indeed, has built some of his own. I hope that he will not only act justly for others but will remember the sort of situation he was sometimes faced with when he was in business. I am sure that when this Bill gets to Committee it will only take an hour or two for common sense to prevail, so that businesses can be built on the secure knowledge that crooks will be tackled but those who are willing to risk their reputations and some of their own money and have the courage to build businesses will be given every help. This Bill must not turn out to be something held over them, as a Seventh Day Adventist holds over people the curse of God. It should be used to help honest people to succeed and businesses to grow.

7.55 pm

Mr. Gould: With the leave of the House——

Mr. Deputy Speaker: The hon. Gentleman has the leave of the House to speak again.

Mr. Gould: I believe that we have had a very interesting debate, which in many ways augurs well for the proceedings ahead of us in the Standing Committee. Many of the points made in the debate foreshadowed much more substantial debates in the Committee.

The scale of the problem which the Bill is meant to address was well ventilated by the hon. Member for Stockton, South (Mr. Wrigglesworth) when he cited the numbers of business failures and the increase in them over recent years.

My hon. Friend the Member for Barnsley, West and Penistone (Mr. McKay) gave some indication of the mischief against which the Bill is directed when he drew attention to his own constituency case involving a construction firm. I believe that it is in the construction industry, and perhaps in the clothing industry, that many of the problems have arisen in their most virulent form. It is there that one sees the phoenix syndrome, the rogue director, the cowboy liquidator, the unsecured creditor being left without payment and the domino effect when one company goes down.

As in the debates in the other place, much attention has been directed this evening to the disqualification provisions. I felt that there was again some evidence that the influence of the Institute of Directors and the CBI was perhaps a little too strong and that one could see why the Bill, in its present form, does not go far enough towards reducing the balance of advantage between directors on the one hand and creditors and others on the other. If one agrees with the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark), it is not just the Institute of Directors and the CBI which have had a disproportionate influence; it would seem that the Law Society has also been involved in lobbying the Government.

I remain of the view—and I believe that this view will be reflected by other Members of the Opposition in the Standing Committee—that many of the problems identified by Conservative Members in connection with the principle of automatic disqualification can be resolved—I am thinking particularly of the speech of the hon. Member for Bolton, North-East (Mr. Thurnham)—if we get the criteria and the mechanisms right. On both counts there was a good deal of debate and variation in opinion. I believe that if we got those two things right the general principle of automaticity might well be more acceptable. It may be that that principle has gone and that it is not the Government's intention to revive it, but we still look for some substantial tightening of the rules on this point. After all, we are talking about identifying the criteria that allow us in turn to identify the rogue, incompetent or feckless director. Once we have done that, it becomes important that we have the right mechanism for getting that director disqualified. If we proceed with that process directly, mandatory disqualification, which is what we are talking about, is by no means an objectionable consequence.

As a former journalist, who worked in television and was interested in such problems, I do not feel that we could place too much reliance on the media as the mechanism by which such cases should be brought to light, which is what the hon. Member for Elmet (Mr. Batiste) suggested. The media have a good reputation in this respect, but they are not thorough enough or comprehensive enough to do the job.

Mr. Batiste: Is it not important that, whether it be creditors or the media, those who have relevant information concerning a particular insolvency should have access to the Minister, to be able to bring those facts to his attention?

Mr. Gould: I have considerable sympathy with that point, and this may be the course that we should pursue. What matters is that the Secretary of State has the widest possible net of information so that he can make the best decision. The Labour party would like to see clause 7 amended along those lines.

The debate revealed the potential for considerable cross-party agreement on a number of issues. For example, I was heartened that the hon. Member for Tynemouth (Mr. Trotter) backed up my point that many directors drift into insolvency. There is no hard and fast, black and white dividing line betwen the honest and competent director and the less competent and perhaps more unlucky director, who eventually sails a little closer

to the wind than he would originally have contemplated. However, the fact that there is no such dividing line makes the framing of legislation much more difficult.

The hon. Member for Lancaster (Mrs. Kellett-Bowman) suggested that there might be cross-party agreement between Back Benchers on this subject. I agree, and I hope that there might be some cross-party agreement between the Front Benches. On some of the issues, there may be greater identity between the two Front Benches than there is between the two Houses.

The hon. Member for Beaconsfield (Mr. Smith) made some interesting comments about disqualifications, many of which I agreed with, and some useful comments on the general scope of the obligations of directors. In an interesting speech, the hon. Member for Strathkelvin and Bearsden (Mr. Hirst) made a number of good points, some of which I agreed with and some of which I did not. He suggested, and the Under-Secretary appeared to agree with him, that clause 207 is too tightly drawn. That may be true, but it would be sensible for the House to err on the side of caution and tightness rather than to relax the rules too far. We shall be watching the Government's amendments carefully.

I share the hon. Gentleman's welcome for the Government's confirmation that they intend to accept the point that monopoly suppliers of public utilities should no longer have an opportunity to exploit a market advantage. I was grateful for his support for a specialist insolvency court, an idea to which the hon. Member for Stockton, South also gave support.

The hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) drew attention to the fairly minuscule savings that seem likely to emerge from the Bill. On a rough calculation, the figures of £280,000 and 40 jobs suggest that those losing their jobs will be pretty low-paid. The Bill cannot be advanced as a great exercise in cutting public expenditure or in saving large amounts of manpower.

We have laid the foundation in the debate today for a constructive Committee stage. The Bill has many good things, as one would hope and expect for a Bill that reflects the hard work and useful recommendations of the Cork report. It has deficiencies and omissions, but the Labour party, I hope with some support from Conservative Members, will try to remedy those deficiencies and omissions. The debate today has shown a considerable intention and concern by all hon. Members to ensure that the Bill works. As my hon. Friend the Member for Barnsley, West and Penistone said, we come to this subject rarely enough to make it essential that we get it right this time.

8.6 pm

Sir Brandon Rhys Williams (Kensington) *rose——*

Mr. Deputy Speaker (Mr. Ernest Armstrong): It is rather unusual for a Back Bench Member to speak now. I thought that the hon. Member for Dagenham (Mr. Gould) was winding up.

Sir Brandon Rhys Williams: I am sorry that there may have been a misunderstanding, due to a fault of mine, as to the course of the debate. I think that the hon. Member for Dagenham (Mr. Gould) will agree that his contribution was in the nature of an intervention rather than a fuller summary of his party's position on this subject, which no doubt will emerge in Committee.

Mr. Gould: The hon. Gentleman may not have been present when I opened the debate on the Bill for the Opposition and gave a rather fuller statement of our position. That statement will be much amplified in Committee.

Sir Brandon Rhys Williams: I did not wish any discourtesy to the hon. Gentleman and I heard a great part of his short, but interesting and apposite speech. There is a great deal of work to be done on the Bill by hon. Members on both sides of the House and we have been set an example by the other place, which has taken its duties seriously and has contributed some interesting thoughts in the form of the amendments that it has asked us to consider.

I wish to take this opportunity to discuss the Government's policy on the protection of investors. I was not, once again through my own fault, able to contribute when we discussed the Government's White Paper on the protection of investors a few days ago. This Bill is part of the strategy that they are pursuing to make the capitalist system on which we rely for the creation of wealth more effective, cleaner, healthier and altogether a safer system, in which people can entrust their savings. I highly commend what my right hon. and hon. Friends are doing in this respect.

I would not like it to be thought that I am being too critical in my remarks. I am sure that the House will bear with me if I dwell on themes on which I have dwelt on many occasions in the past. I have to look back to Wilberforce, Plimsoll and other parliamentary fighters who did not give up, in reminding the House that I have shown a consistent interest in company law reform since I had the good fortune to be elected in 1968. I have introduced a measure in every Session of Parliament since 1969 aimed at the same objectives that the Department of Trade and Industry is seeking to hit in its batch of measures for the protection of investors.

A few days ago we were debating the protection of investors at the stage where their money is being invested, when they are being persuaded by people who operate professionally in this sector as to what they should put their money into and the terms on which they should do it. The Department has made some interesting recommendations on the setting up of regulatory bodies for the conduct of professional people operating in this sector. These were debated in the House, and I am sure that my right hon. and hon. Friends will have taken note of what was said.

Now we are considering what happens when enterprises collapse. We have to deal with what happens when a company becomes defunct. It is important, from the beginning of the process of investing one's money in a company, that one should know what will happen if the enterprise founders. One wants to be confident that the people who operate at that stage are also competent and operating within a proper framework of the law. However, there is a tremendous area between launching an investment and extricating one's money from an investment that has failed, if one can. The Department is not giving us a clear enough lead on that.

I am much more worried about companies that are not fraudulent or grossly negligent, but which are not achieving the best that they can with the human and material assets at their disposal. We cannot be satisfied with the recent performance of the free enterprise sector of the British economy. Although there are many reasons

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why British management has not shone in all the different circumstances of the past 20 years as we may have hoped it would, we should ask ourselves whether the condition of our company law makes a limited liability company as efficient as it can undoubtedly be.

Mr. Deputy Speaker: Order. I am listening carefully to the hon. Gentleman. He must relate what he is saying to the Bill.

Sir Brandon Rhys Williams: I fully accept the guidance of the Chair. I wish to follow up a remark that my hon. Friend the Minister made in his opening speech, which was that we should take remedial action at the early stages, when financial difficulties loom.

The Bill is not doing enough in that respect. The approach in the Bill is open to criticism, and has been open to criticism in the other place. Although tonight I do not wish to take up the particular issues which are embodied in the Lords' amendments, we should consider the whole question of the Department's approach towards the discipline of directors in companies which are falling below their best. In various speeches my right hon. and hon. Friends made it clear that the Government are anxious that people in charge of capital in the private sector should make the most of it. To frighten such people with penalties and exposure to various punishments is not the only, or even necessarily the reasonable approach. That is why, Mr. Deputy Speaker, I hope you will bear with me if I enlarge on some of the matters that should be in the Bill.

I have a Bill on company law on the Order Paper for Friday. I should be grateful to have the opportunity to inject into this debate some of the ideas that went into making that Bill, because they are precisely opposite to the Government's thinking. I am afraid that if we rely on the punishment of directors who are associated in one way or another with a business which has foundered, ambitious and competent people will be anxious to have nothing to do with problem companies. That point was made forcibly in the other place. The Bill relies too heavily on that aspect of the Government's proposals, and not sufficiently on the modernisation of the mechanism of the limited liability company, which should be constantly considered.

I do not think that I have been challenged when I have said in the past that there has not been any truly radical thinking on British company law since Gladstone. The great leap forward which was made in the 19th century carried us well into the 20th century, and indeed right up to The Companies Act 1948. There was no fresh thinking about the way in which we organise shareholders, managers, directors and the others involved in the production of wealth in limited liability companies so that they operate as efficiently and reasonably as possible. The result was that when the 1948 Act was passed, it was already obsolete. We are only now in the process of consolidating an enormous mass of company law. It now amounts to two volumes. Not many people will ever read the consolidated Companies Act from end to end. Even students would find it impossible.

Parliament is in the process of consolidating law which is obsolete and ineffective. At the same time the Department is introducing a measure which aims in the wrong direction. I am not saying that there are no rogue or grossly irresponsible directors who use other people's money for adventures which are plainly ill-advised or reprehensible. If the Department needs more power to deal with those people or to frighten them off, I should not like to say that that is wrong. However, I have some years of experience in industry and consultancy, and am aware of what happens in companies when their affairs begin to lose their glitter, the atmosphere begins to decline and the tone softens. It is not advisable to frighten directors at that time so that they seek excuses to resign or clear out of the business as quickly as possible. At that moment one wants to attract fresh brains and competent people to the company. However, if such people are afraid of being associated with a firm which is in trouble, the firm will be unable to recruit or retain them. Therefore, I hope that my right hon. and hon. Friends will bear in mind that there is another approach and that it is worth their pursuing it.

It is argued that one cannot legislate to make people efficient, and that that is a matter for them. That is not a true analysis of the position. Table A, which most companies use when they set up their memoranda and articles, is a minutely detailed recommendation about how a company should operate, what should happen in certain circumstances, how shareholders can deal with problem circumstances, the responsibilities of the directors and so on. The Department should examine table A to see how much of it is operable today. I think that much of it belongs to an ideal world which never existed, or if it did, it was in the 19th century, when companies tended to have fewer shareholders, and management problems tended to be much simpler and more comprehensible to shareholders than they are today.

Our company law is like a clock in which the oil has dried up to such an extent that the spring cannot force the hands to go round. We need to lubricate the joints and bearings of the clock by putting some fresh oil into he mechanism so that all the elements which are there can operate and keep good time once again.

I am not saying that there are not hundreds of efficient British companies. However, far too many companies are not as efficient as they should be. They are rather unhappy ships in which the management is not on good terms with the board, or where the board is divided and nothing is decided one way or the other as the years go by. Those organisations will not make the best use of private capital, as the Department would like. I hope that we can persuade the Department to examine the mechanism laid out in table A for limited liability companies to see whether we can make the mechanism work better and faster in many ways.

The other objection that people raise is that it is wrong for Parliament to dictate to private sector management. The way to achieve efficiency is to give people incentives so that they take bigger risks because there is more in it for them if they succeed. The other argument is that one should sharpen competition so that weak and inefficient enterprises are forced to the wall. Both arguments are convincing until one knows what happens in practice in scores of companies. Then they suddenly seem to be arguments that are convincing only to people who have read about industry in books and are not acquainted, from personal experience, or personal responsibility, or from contact with people with responsibility, with the sort of problems that arise and make companies less efficient than they should be.

A firm which is declining in efficiency is a candidate for bankruptcy, sometimes within months, and sometimes within years. We cannot afford to have large lumps of

capital under the control of managements which are not operating effectively, and where there is no particular way in which supervisory elements can put things right. If the management of a company enjoys the privilege of limited liability, that is half of the bargain; the other half is that it must comply with certain rules in the way in which it conducts its affairs. I do not believe that my right hon. and hon. Friends would disagree with that, so I hope that it will be constructive if I go on to say a few more things.

The supervisory elements that can bear on an inefficient company can be divided into those inside the business and those outside. Those inside the business are the shareholders, the non-executive directors and the auditors. Those outside the business, which can be increasingly effective—I do not say that they are ineffective now—are professional analysts working for stockbrokers or for institutional investors. London is especially rich and fortunate as a capital market in the quality, insight and knowledge of the professional analysts who advise the capital market, but they can often be wrong.

During the past 10 to 20 years there has been an enormous expansion in the coverage of company affairs in the press, and that in turn has been extremely helpful in advising shareholders in the private and institutional sectors of what is happening in the scores of companies that are quoted on the London stock exchange. I pay tribute to the work done by the press, and I hope that it continues to become more perceptive and investigative as time goes by.

We have to talk also about takeover bidders. I do not place too much weight on the people who look round for companies that can be broken up by force so that the assets can be redeployed and the staff possibly discharged. Those people are not doctors but butchers, and the future of capitalism should not rest on the threat of the takeover bid.

We must also consider the Department itself. I would like its permanent officials and Ministers to think a little more constructively about company law.

May I say a few words about the responsibility of shareholders in companies that are not achieving as much as they should. The institutional shareholders should bear a much heavier share of responsibility for keeping free enterprise efficient than they do, and private subscribers are diminishing in number and influence and turning into the also-rans of our capital market. My opinion is that they cannot obtain enough knowledge to act effectively and responsibly in the range of problems that gradually lead to insolvency. Therefore, it would not be reasonable, with the present state of company law, to blame the shareholders.

If shareholders get sufficiently inside a business to have a real insight and to make correct recommendations, as likely as not they will have procured inside information, and it would be wrong to trade on that. I do not disagree with the legislation which the House has passed on insider trading, but I believe it inhibits shareholders, especially institutional shareholders, from acting in a nosey and investigative way. If they do, they are probably taking advantage of their status and power in the market to put themselves in a privileged position vis-á-vis other shareholders. It is wrong that private shareholders should have to read their newspapers every day to discover what is happening to the price of their shares and then discover, too late, that the market has moved because someone better informed or more powerful than them has obtained information that the company is sliding to insolvency and has got rid of his shares as quickly as possible before the worst happens, leaving the private shareholder in a position——

Mr. Deputy Speaker: Order. The hon. Gentleman is talking about company law. He must relate it to the Bill, or suggest what should be in the Bill, not just give us a general lecture.

Sir Brandon Rhys Williams: The question that I am coming to immediately is, should we legislate for more disclosure? Should there be a requirement for greater disclosure in this Bill or in another Bill that the Department might introduce? My view is that no amount of disclosure which can be made statutory would be sufficient to put the shareholders in a position invariably to draw the right conclusions about companies that are in trouble. The Companies Act 1967 greatly increased the disclosure requirements to the point where we are in danger of putting companies at risk that their competitors will find out more than they should know about their financial position and policies. Therefore, I do not recommend that we place more weight on earlier disclosure to the general public of the position of companies. However, I recommend that we put the shareholders in a stronger position to appoint effective supervisors to work for them inside the business. Those agents for shareholders exist in company law, but in many companies they are too ineffectual. They are the non-executive directors and the auditors.

I do not wish to speak for too long on this subject, but it has concerned me for many years, even before I had the privilege to be elected to the House, and I wish to take the opportunity, as it is germane to what the Department is doing with this Bill, to make some constructive recommendations.

The status of the non-executive director in British companies has changed greatly during the past 50 years. Before the war the majority of British public companies were run by boards consisting of outside directors, who were in a powerful position to investigate what was being done by the permanent officials at the head of the departments. But during the war and subsequently we have had what has been called the managerial revolution, and now the majority of public companies are managed by people who have worked their way through the business, have become heads of department, and in that capacity have taken their place on the board. Non-executive directors are now a minority.

I can make specific recommendations, and I wish to, as to the way in which we can make non-executive directors more effective in the management of——

Mr. Deputy Speaker: Order. Any recommendations that the hon. Gentleman wishes to make must relate to insolvency law. That is what the Bill is about. It does not deal with general company law.

Sir Brandon Rhys Williams: I feel that you are hampering me, Mr. Deputy Speaker, in making recommendations that I wish to table in the form of amendments to the Bill in Committee. The essence of insolvency is that a company has failed to manage its affairs in the way that it should——

Mr. Deputy Speaker: I am very willing to listen, as the House will be, to recommendations that will amend the insolvency law, but the hon. Gentleman is getting extremely wide of insolvency law.

Sir Brandon Rhys Williams: The Bill contains the idea of a rescue operation, and I believe that it should contain other provisions that would replace the final wind-up of a business. We must look to the Chair to protect minorities, and I realise that I am in a minority in wanting company law to be changed. But I am not the only person in the House who believes that something along the lines of the Bill that I have been trying to promote since 1969 would be right. It is discouraging not to be allowed to say what I think on this subject, when we are discussing the Department's policy on companies that get into difficulty.

I would like non-executive directors to be given more status, more data and better advice, and I have specific recommendations to make on each of those subjects, which I trust I shall be allowed to make. With regard to the status of non-executive directors, I recommend that every public company should be obliged to state in its balance sheet which of its directors are executive and which of them are non-executive, so that the shareholders can differentiate. As for the election or the re-election of directors, shareholders should be allowed to know in which capacity directors wish to serve and whether they are qualified in that direction.

I said that non-executive directors should have more data. Boards are not always given the information about the company that they should have if they are to take a forward look at the way in which the company is heading.

In Bills which I have sought to promote as a Back-Bencher, I have repeated on several occasions a clause recommending that companies should be required to produce more data and estimates of a forward-looking character drawn from the knowledge that they have within the business of its ability to maintain its profitability as time goes by.

I know from practical experience that many companies do that as a matter of normal routine, so much so that the people who work in those companies cannot imagine that there might be companies which neglect those elementary procedures for long-term forecasts of market and profitability, of technical practices affecting the business, of the effects of Government policies, exchange rates and such matters.

But there are, I am sorry to say, a large number of companies which neglect these elementary routines which are standard practice in many companies. We must find a way of putting into law a remedy for this failure to operate a business on effective modern lines. It is possible to do that, but it is necessary to call the auditors into service if we are to require the laggards and inefficient managements to make better use of the data that they have.

I have repeatedly suggested that the auditors should be required to make a statement to the shareholders, at the time of the issue of the balance sheet, about whether they are satisfied that the board is organising the estimates and data which it uses in the management of the business on lines which are appropriate to that business. That could be put in either as a positive recommendation—that the auditors must make such a report; or it could be put in a negative form, which might be equally effective—that they must notify the shareholders if, in their opinion, the board is not obtaining the data which it needs to judge its profitability as a company as time goes by.

I have mentioned the role of the auditors. I suggest that the Department should be placing more weight and reliance on the role of the auditors in the early stages when companies are running downhill. All too often the auditors in the context of British company law consider that they have only a limited function. They are afraid to step outside that limited function because they fear that they will be made liable by the shareholders, or by other interested parties, in the event of the failure of the business because they have not conducted their audit in such a way as to prevent the damage which is done when the business ultimately collapses.

I recognise that the auditors wish to shelter within a limited function which is strictly statutory. In that event, we had better change the statute under which the auditors operate, or else find a way of giving them more protection from liability in the event of errors coming to light. I would recommend the latter alternative.

All too often the auditors are satisfied if they have done an arithmetical job on behalf of the shareholders and have stated that the books are correctly calculated and present a true and fair view. They may know that the business is incompetently run or that its financial future is clouded, but it is not their business to say so, provided that they have said that the accounts are setting out a true and fair view.

Another aspect which is wrong in the requirements that we place on the auditors is the fact that their role is retrospective. They look back at what happened in earlier years, or in the previous year on which they are reporting, and they are not required to make any forecast about where the business is going in the future, with one important variation. That is when the auditors are called in to place their approval on a prospectus, when the company is raising new money. They then have to take a forward look and are expected to tell shareholders what they think about the future. I do not know of any other significant area where the auditors are required to look ahead.

Mr. Thurnham: Is my hon. Friend aware of those occasions when auditors must make a judgment about whether the business is a going concern? That must involve them looking ahead, so as to place a value on the stocks and so on.

Sir Brandon Rhys Williams: My hon. Friend may have put me in the wrong by pointing to another example of ways in which company practice is beginning to shift, with more weight being put on the auditors to take a forward view. He may be right. Nevertheless, there is a tremendous mileage left in what we could require of the auditors in looking forward.

It is not only I who am saying that, because it is beginning to happen. The profession has been much more absorbed in the last 20 years with the concept of management accounting. All our prominent firms of auditors offer, as a service to management, the concept of a well-managed business which is using financial techniques and projections based on the most efficient use of data, equipment, business theories and knowledge.

They offer that service sometimes as an alternative to the audit function, because there is a difference between the responsibility of a big firm of accountants in serving the board through the services which it offers in the way of management accounting and the services which it offers to shareholders in a supervisory capacity under the terms of normal company law.

I should like to see specific changes made in company law, and I have a recommendation about ways in which

we could bring the auditors into a more forward-looking and responsible role vis-a-vis the board and, in particular, the non-executive directors.

I recommend that in British law we follow what has been established practice in American company law for a number of years, particularly on the New York stock exchange, of appointing an audit committee of the board consisting of non-executive directors and representatives of the auditors, who meet under a proper formula as a regular matter, to advise the board formally on questions affecting the financial soundness and financial conduct of the business.

We have much to learn from American practice in this respect, and I am sorry that there has been so much talk in Britain about appointing audit committees—about the advantages of doing it and the ways in which it should be done—yet so few companies are doing it.

In New York, it is a requirement of the stock exchange that if companies wish to be quoted, they must have appointed an audit committee under a properly constituted formula. The New York stock exchange does not take in anything except the largest companies in the United States, but it would be highly desirable if the London stock exchange followed that practice and made it part of its listing agreement that all companies quoted — or certainly the largest—should have an audit committee. I should like the Department to make that a statutory requirement.

If it is afraid of forcing the pace, there are ways in which it could be done which would result in the audit committee being introduced at a more modest pace. I have suggested that it should be a statutory requirement at the annual general meeting of every public company employing more than, say, 20,000 people or using more than £50 million worth of capital or possibly with £100 million of turnover—I do not mind what criteria are used — to consider the appointment of an audit committee; and the Department should publish an addendum to table A, which would constitute the official recommendation as to the way in which an audit committee should be constituted.

I am sorry, Mr. Deputy Speaker, if I have caused you impatience. I have spoken about a subject which is important for the future of capitalism in this country. I am sorry if, as a Back-Bencher and a member of a minority group which is interested in company law, I have incurred your displeasure.

We must bring the poor performers up to the standard of the best. Many British companies are shining examples of what a company should be, yet many are not as good as that, and, among the weakest, we find companies lapsing every year into insolvency. The auditors ought to make recommendations to the directors and shareholders about the way in which the business should be conducted. They should be required to intervene at a much earlier stage. They are, as it were, the priesthood of the financial management of companies and it does not seem to me that they are fulfilling the role that is required of them.

The Department is rightly concerned with misconduct over attracting funds into business and also with fraud, malpractice and all of the winding-up procedures that are dealt with in detail in the Bill which are founded upon the excellent Cork report. However, there is an urgent need to give new leads to top management and to make the supervisory elements in limited liability companies more competent, powerful and effective.

Mr. Deputy Speaker: For the benefit of the hon. Gentleman and the House, I ought to say that my patience or impatience has nothing at all to do with any individual hon. Member, or with whether he considers that he is in a minority. It relates merely to the relevance of what is said.

8.40 pm

Sir Ian Percival (Southport): I hope that my hon. Friend the Member for Kensington (Sir B. Rhys Williams) will forgive me if I do not follow him down all the paths that he has trodden. He has spoken with great knowledge and sincerity about some very interesting points, but I wish to deal with just one part of the Bill—questions arising under clause 7. I congratulate my right hon. and hon. Friends upon their decision not to restore automatic disqualification and I hope to persuade them to adhere to that point of view and not to yield to the persuasion that I understand is being brought to bear upon them from various quarters.

The primary reasons for not having automatic disqualification were given about as clearly and succinctly as they possibly could be by Lord Benson in another place. He said that if the purpose of automatic disqualification was to drive directors into voluntary liquidation instead of compulsory liquidation, it would be taking a sledgehammer to crack a nut, and that it was also offensive because, to achieve its purpose, it would put the director under the threat of losing his livelihood.

The noble Lord also said that if that was not the purpose of the provision it was offensive because it imposed compulsory and immediate disqualification, with all the consequential obloquy that then falls upon a director, and that a director then had within 24 days to prove his innocence at his own expense. He went on to say that he knew it would be urged that that was not proof of guilt but that ordinary individuals such as himself and directors would regard it as conviction without trial.

I quarrel with only one part of the speech of the noble Lord—when he described himself as "an ordinary man". This is no ordinary man, by any standards. This is a man of extraordinary experience and knowledge in these matters and one whose judgment is entitled to the greatest respect. I congratulate the Government upon the respect which they have paid to those views and that judgment.

I was also struck by the fact that both Lord Benson and Lord McIntosh of Haringey agreed on another proposition —that if automatic disqualification remained in the Bill, it would deter people from becoming directors who might have a very useful purpose to serve in rescuing companies which were in difficulties.

It seems that the Government have accepted some or all of those arguments and I congratulate them upon doing so. It is not easy to change one's mind upon something so basic as this. It is much to the credit of the Government that, having listened to the arguments, they have found it possible to accept them. They can the more easily do so here because there is no quarrel about the objectives. As Lord Benson stressed, the provisions of the Bill ought to catch directors who were guilty of fraud, or of recklessness or of irresponsible conduct. All of us want that to happen. The only question is how to achieve it and what is the right approach. The objective is the same as that expressed by my hon. Friend the Member for Kensington.

I wish to refer specifically to one provision which makes a powerful contribution to this end and which,

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because of its presence, assists the Government in their decision not to restore automatic disqualification. I congratulate my right hon. and hon. Friends upon adopting a suggestion that was put forward by the noble Lord to which he said he attached enormous importance. I refer to the proposal in the noble Lord's new clause 7(6)*(c)*, which is now enshrined in clause 7(2). It is of enormous importance in relation to a point made by the Minister when he presented the Bill to the House.

I apologise to the Minister, to his colleagues and to the House for having missed so much of the debate, but I understand that one of the points made by the Under-Secretary of State was that there is no incentive in law for directors to take early action. I think he was right. The provisions in clause 7(2), which are closely modelled on the provisions to which the noble Lord said he attached such great importance, provide a most simple and effective way of remedying that defect.

The inclusion of that provision means that the director knows that there are three possibilities. If accounts are delivered at appropriate times which reveal the state of a company's trading operations and its financial position, and if the trading operations and financial position, as revealed, are sound and healthy, he is all right.

Mr. Thurnham: Will my right hon. and learned Friend give way?

Sir Ian Percival: I am in the middle of making three points, but, yes, I shall give way.

Mr. Thurnham: I am grateful to my right hon. and learned Friend. When I was learning about business on my own account, I found that the problem was to obtain accounts which revealed the true state of affairs. I was presented monthly with accounts which looked wonderful, but I found out some time later that they bore no relationship to what was happening in the business. It took some time for that to become apparent. How is a director to be satisfied that the accounts which he has been given monthly are right? I take it that they will not be audited each month.

Sir Ian Percival: I am not an accountant, but I have sufficient experience of accounts through my practice as a lawyer to know how unrevealing they can be. However. I also have sufficient experience to know that it is not too difficult to discover how unrevealing they are by asking an appropriate question or two. This will rightly put directors on inquiry to make sure, so far as they can, that the true position is revealed and to ask a few questions about it. They cannot take accounts simply on their face value.

The second possibility is that if on any reasonable examination the position, as shown, is unsound or unhealthy, the director will know he is at risk unless he takes early action. It is right and proper that he should know that he is at risk and that he should be at risk unless he takes early action. The third possibility is that if accounts are not given at appropriate times, or if he has reason to doubt whether those accounts reveal the trading position or the financial position, and fails to do something about getting better accounts, he will be at risk.

That seems to me to be a very simple and effective method, even if it is not absolutely cast iron. There is, of course, force in what my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) said — that if somebody sets out to deceive directors who do not know anything about accounting, it can be done. But in those circumstances the court would know how to deal with that and who to deal with.

Leaving out such cases, I think that the noble Lord was absolutely right in attaching enormous importance to this simple provision, and that the Government are absolutely right to pick it up and adopt it because it will provide a simple and largely effective means of putting a director at risk of disqualification in the circumstances in which he should be put at risk of disqualification, and in which we would all be quite content to see him disqualified.

Therefore, I congratulate the Government on both those points and hope that they will stick to them.

8.51 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. David Trippier): I think that it is fair to say that we have had a constructive and wide-ranging debate. In debates on what are largely technical measures, the House sheds more light than heat on such matters. I compliment my hon. Friend the Parliamentary Under-Secretary of State for Trade and Industry who is responsible for consumer affairs and the hon. Member for Dagenham (Mr. Gould) on setting for the debate a tone that has continued throughout.

Two points in particular have emerged. The first is the general recognition of the urgent need for major reform in this area of the law. The second is the wide welcome— in certain instances with specific reservations — which has been given to the content of the Bill, founded as it is on a broad spread of opinion. It is clear that while there may well be disagreements on particular issues, this is not a measure that incites disagreement on party political lines. The spirit of constructive scrutiny that has marked contributions to the debate will, I am sure, help greatly in securing the passage of this complex and technical measure.

The Bill is, indeed, a substantial measure, as has been mentioned by my hon. Friends the Members for Bolton, North-East (Mr. Thurnham) and for Tynemouth (Mr. Trotter). We are considering the highway code suggested by my hon. Friend the Member for Bolton, North-East. The Department of Trade and Industry intends to issue an explanatory leaflet after the legislation has completed its passage.

I should say to my hon. Friend the Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) that, whereas the Bill will cost £10·20 and runs to 207 pages, it is important to stress that it is based on the Cork report, with which my hon. Friend is familiar, which runs to 461 pages and costs £13·35. So things are getting better. They are improving all the time.

As I said, the Bill is a substantial measure. As the hon. Member for Dagenham and others said, it owes a great deal to the work of the review committee on insolvency law and practice, which dedicated more than five years, under the guidance of Sir Kenneth Cork, to producing its report. I should like to echo the many hon. Members who paid tribute to the review committee for its valuable contribution.

Whereas the Government have been unable to accept all the review committee's recommendations, the majority are reflected in the Bill, which will serve to bring the

insolvency legislation into the 20th century and remove the still-pervasive influence of its 19th century origins, a point mentioned by my hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman) and touched on by my hon. Friend the Member for Kensington (Sir B. Rhys Williams), who referred to Gladstone. We went further when my hon. Friend the Member for Tynemouth referred to Henry VIII and the Bill's 16th century origins.

The hon. Member for Stockton, South (Mr. Wrigglesworth) and my hon. Friends the Members for Tynemouth and for Strathkelvin and Bearsden (Mr. Hirst) asked when we would issue a copy of the rules. At this stage we cannot give a definite date of publication, but the target is early 1986.

There seems to be little objection, as far as I can detect, to part I of the Bill, which provides that a person will not be qualified to act as an insolvency practitioner unless he has a certificate authorising him to act and has provided security to protect creditors. That will remove the abuse referred to by the hon. Member for Stockton, South, who also mentioned the Chancery Lane Registrars type of liquidators.

The Secretary of State and the accountancy and legal bodies that are permitted to grant certificates to their members will authorise only individuals who are experienced and fit to practise in insolvency work. We believe that in that way the standards of insolvency administration will be raised. The measures in part I establish a foundation on which the remaining provisions of the Bill can be safely built. That is a most important reform, and I believe that the House will join me in welcoming its introduction.

The hon. Member for Dagenham referred to insolvency courts, which were mentioned specifically in the Cork report. It is true that the recommendation was rejected. The Government considered that the review committee did not establish a strong case for a specialised insolvency court. The introduction of a specialised court would raise problems disproportionate to the need for a separate legal process for insolvency proceedings by reducing flexibility in the court system and potentially increasing costs to creditors and debtors initiating court proceedings because of the need for more court personnel, and because insolvency work would be concentrated at a smaller number of courts. In reply to the question asked by my hon. Friend the Member for Tynemouth about the official receivers' staff, I can give him the comfort that the staff are specialists and spend the whole of their service in the insolvency service.

The Bill's second major concern is to ensure proper conduct by those involved in the management of companies, which is reflected in the provisions dealing with the disqualification and personal liability of directors and others. At this stage in the proceedings, the atmosphere becomes a little strained, as it became in the difference of opinion that was expressed particularly by my hon. Friends. The hon. Member for Stockton, South put it very well when he referred to the fine line between some guilty and some innocent directors. The difference of opinion on that matter was amply demonstrated by my hon. Friends the Members for Beaconsfield (Mr. Smith) and for Bolton, North-East. There is a great difference in opinion and the Government have to try to achieve a balance.

Several comments have been made on those provisions, some of which we shall examine in greater detail in Committee. However, there are several points that I should like to make at this stage. First, in no way whatsoever is it correct to pretend that we have bowed to the directors' lobby in bringing forward revised proposals on disqualification. The Government have accepted as justified the concern expressed that our original proposals might have resulted, in a minority of cases, in the disqualification of those whose conduct was not blameworthy. We have therefore brought forward an alternative provision which maintains our determination that those who demonstrate their unfitness should be disqualified from office. I should like to describe in more detail why, in response to the amendments made in another place, we decided to bring forward fresh proposals of our own.

In carrying out a reappraisal of their policy on the disqualification of directors, as they undertook to do when these clauses were considered in another place on 29 January, the Government took into account not only the views expressed there but the views of those who have commented on the Bill since it was published in December last year. We also re-examined the observations of those who had responded to the invitation to comment on the White Paper published in February last year.

First, it was decided not to pursue the proposal that directors who allow their companies to go into compulsory liquidation should be automatically disqualified. It became apparent that the making of a disqualification order against a person is widely considered to be a criminal conviction, which in law it is not. The only criminal offence is, in fact, to take part in the management of a company when a disqualification order is in force against a director.

Feeling, however, was strongly against any mechanism under which a director had to justify his not being disqualified simply because of involvement in an insolvent liquidation. My right hon. and learned Friend the Member for Southport (Sir I. Percival) stressed that. It is, nevertheless, important for the efficient and healthy functioning of the economy that those whose past conduct is judged to make them unfit to be concerned in the management of a company are prevented as speedily as possible from doing so to avoid unnecessary loss being suffered by the creditors of the companies the disqualified individuals might otherwise mismanage.

Bearing in mind the importance of identifying and pursuing the unfit director, the Government took the view that an application should be made in every case where the fitness of a director was in question, and that all relevant factors should be capable of being taken into account in arriving at the decision to make an application. Having put aside automatic disqualification, the Government adopted the principle of considering each case on its merits. This is not a new concept.

Mr. Beaumont-Dark: Is it not wrong for a Conservative Government to adopt the view that if one fails something must be wrong? The idea that everything has to be investigated is draconian. Surely it is right to accept that honest failure is more likely and that everyone who fails is not a potential crook.

Mr. Trippier: Honest failure is a different matter. We are talking about dishonest failure. My hon. Friend should not become too excited. Apart from being hon. Friends in the House, we are good friends outside. I am appraised of the problem. The Government have a responsibility to

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balance the fear of discriminating against people who are probably non-executive directors or the entrepreneurs of the future against the problems posed by those people who jump from one company to another leaving failures and bad debts in their wake. That is the problem that Ministers must face. The problem is not as black and white as my hon. Friend suggests.

Since section 9 of the Insolvency Act 1976—now section 300 of the Companies Act 1985—came into force it has been possible to disqualify a person on the ground of unfit conduct, but at present a person needs to have been involved in two insolvent liquidations within a period of five years before an application can be made.

Our proposals have also taken up the helpful suggestions that the liquidator or the official receiver should have a duty to report on a director's conduct to the Secretary of State.

The new clause is designed to give the Secretary of State the appropriate discretion to choose where resources should be deployed to maximum effect. It is for this reason that applications under this clause will be made only when the Secretary of State considers that it is expedient in the public interest to do so. Under clause 7 he will either make the application himself or, if the person against whom the order is being sought is a director of a company which has gone into compulsory liquidation, he may direct the official receiver to make the application on his behalf.

Hon. Members will note that only the Secretary of State can bring or direct applications under the clause as amended. We have done that to avoid the possibility of the threat of an application for the disqualification of a director being used by creditors or liquidators to try to improve their bargaining position when seeking to recover moneys from him.

The prohibition on people acting as directors is, we consider, a matter of public interest. Thus we do not wish to confer the public function of seeking disqualification orders on those who have no public finance with which to exercise it, and we do not wish to provide the means to use this essentially public function in support of private interests.

If clause 7 were to provide that the court should be required to give leave before creditor or liquidator applications could be proceeded with, it would in our view place an unnecessary burden on the courts and add to an already overcrowded court list. Clause 7, therefore, is aimed at the disqualification of persons who in the general public interest should be disqualified, and the task of implementing it is made a responsibility of the Secretary of State.

We recognise, of course, that liquidators do become aware of conduct by a director which they consider makes him unfit to take part in the management of a limited company. Since section 9 of the Insolvency Act 1976 came into force, it has been possible for voluntary liquidators to report suspected unfit conduct to the Secretary of State to enable him to decide whether to make an application for a disqualification order. That point was touched on by several hon. Members. Unfortunately, as has been mentioned by the hon. Member for Dagenham, very few liquidators have chosen to make their views known to the Secretary of State. Whether this was because of doubts about what was required or a reluctance to become involved in law and order issues, I do not know. Perhaps it is that the present legislation states that there is no obligation on the liquidator to report the fact that directors have failed to have accounts prepared, or perhaps it is a problem with clause 9, as mentioned by my hon. Friend the Member for Beaconsfield. There could be a problem with clause 9 in that it states that a person must have been involved in two liquidations in the past. I think that is another reason that many people have not reported their views to the Secretary of State.

Mr. Hirst: Does my hon. Friend agree that one of the reasons for the small number of references in recent years probably has something to do with the cowboy liquidators who have conducted liquidations where the directors have behaved in a delinquent way? Does he agree that one of the Bill's principal merits is that it will introduce qualifications for people who can act as liquidators and therefore enhance the professional standing of liquidators?

Mr. Trippier: My hon. Friend has a good point. I think it is important to remind him and the House that the licence referred to in the Bill can be withdrawn at any time. That is another important ingredient of the recipe of success in the Bill.

Whatever the reason, we propose to remedy the situation. Under our present proposals, a voluntary liquidator or the official receiver will have a duty to report to the Secretary of State when he is satisfied that a person's conduct as a director of the company makes him unfit to be concerned in the management of a company. To assist liquidators and official receivers to make their report, the Government are considering the establishment of guidelines as to what should constitute unfit conduct. We intend to incorporate these in an amendment which the House will be invited to consider. I hope that this will satisfy my hon. Friends the Members for Beaconsfield, for Tynemouth and for Lancaster, and the hon. Members for Stockton, South and for Dagenham.

We are confident that our proposals will create a strong armoury of provisions to prevent undesirable individuals from taking part in the management of companies and will bring benefits not only for creditors but for the trading community in general.

Mr. Trotter: Will my hon. Friend cast his mind to my earlier comments about the frequency of failure, possibly in different parts of the country? It could be that a particular liquidator would not regard any one case as bad enough to be reported but, if no register is kept centrally, the fact that this has happened in other places at other times would not be known.

Mr. Trippier: I remember my hon. Friend referring to the register in his speech. We shall obviously consider that. As far as I am aware, we have received no representations on that in the consultation period. We shall certainly take that into account.

The Government accepted the Cork committee's proposals for the introduction of a new concept for wrongful trading. I hope that this may be of some comfort to the hon. Member for Barnsley, West and Penistone (Mr. McKay). Accordingly, clause 9 allows the court to declare a director of a company which has gone into insolvent liquidation personally liable to contribute to the assets of the company if it is satisfied that the company has traded wrongfully. That is if before the liquidation he knew or should have concluded that there was no reasonable

prospect that the company would avoid going into insolvent liquidation and did not take steps that he should have taken to minimise the potential loss to the creditors. The application for such a declaration will be capable of being made only by the liquidator whom we consider to be the person best placed by reason of his investigation to decide whether there is a prima facie case to answer.

The Bill proposes a modification of the review committee's recommendation because the Government could not accept the concept of the court being able to grant anticipatory relief. To do so the court would have to make a commercial judgment based only on facts and undertakings given by an interested party, and there would be wide scope for a dishonest director to mislead the court. Even if directors present the facts honestly, there would always be circumstances where, with the benefit of hindsight, the court would have made a different decision.

The Government accept the committee's recommendation to prevent persons acting while disqualified. Clause 11, therefore, provides that those acting while disqualified, or anyone knowingly acting on their behalf, will be personally liable for the debts of the company while so acting. This liability is to be a joint and several liability with the company and with any other person so liable, which is considered more appropriate than the unlimited liability recommended by the review committee.

The White Paper issued in February 1984 explained that the Government were not able to adopt the review committee's proposals for second company liability. Their adoption would certainly curb the activities of the delinquent director, but the lack of certainty of how courts would determine a person's responsibility for the failure of a previous company would also—I draw this to the attention of my hon. Friend the Member for Selly Oak — deter the genuine entrepreneur from risking his capital in a future venture.

A further problem with the review committee's recommendation was that, provided the second company trades for three years before it goes into liquidation, no liability attaches to a director. But if it goes into liquidation within that three-year period any person who is or has been a director of that company in the two years following the failure of the first company would certainly be at risk. To try to avoid becoming personally liable, a person who resigned from a company would have in some way to ensure that debts for which he might become personally liable were paid in priority to the other debts of the company.

It is the Government's firm belief that the Bill's provisions on disqualification and wrongful trading will go a long way to combating the abuses of limited liability which were highlighted by the review committee without stifling entrepreneurs and without hindering the taking of risks, on both of which Britain's economy depends, especially in the small business sector. I have no doubt that in Committee we shall wish to examine closely, when considering clause 7, the guidelines for unfitness, which we shall propose to ensure are correctly drawn.

The third major area dealt with by the Bill embraces business rescue and rehabilitation. It encourages business rescue in two ways. First, it introduces a new insolvency mechanism, the company administration procedure. The principal difference between this new procedure and receivership is that company administration will provide a statutory moratorium on all actions and proceedings against the company and on secured creditors' rights to enforce their security, thus creating the opportunity for companies to be rehabilitated or reorganised. I believe that this will be a valuable addition to insolvency procedures.

As my hon. Friend the Under-Secretary has said, in the light of consultation that has taken place, amendments will be introduced to secure the smooth operation of the new legislation.

My hon. Friend the Member for Bolton, North-East asked about value added tax and wanted to know whether a creditor would have to pay VAT if an administrator were appointed. The answer is an unqualified yes. The creditor will have to pay VAT, but he will be able to recover it when the administrator can issue a certificate that there are no assets available for distribution to unsecured creditors.

Mr. Thurnham: Is my hon. Friend aware of how unpopular it is for a small business man to have to pay VAT on a debt which he is not allowed to collect and which may be outstanding for a long period? The petitioner asks for an administrator to be appointed, time elapses and then the administrator is appointed. Time drags on. From where will the business man obtain the money to pay the VAT?

Mr. Trippier: I am not absolutely sure that my hon. Friend and I are on the same wavelength. We are probably not talking, in the majority of case, of a vast sum. I am sure that my hon. Friend would be the first to concede that, because of the recent Budget, the position has improved greatly. My right hon. Friend the Chancellor responded to effective lobbying by my hon. Friend the Member for Bolton, North-East because of his heavy involvement in the Back-Bench small firms committee, and by Ministers such as myself and my hon. Friend the Under-Secretary of State for Trade and Industry, the hon. Member for Edinburgh, Central (Mr. Fletcher).

The hon. Member for Dagenham asked about appointing an employee representative to the committee of creditors. The appointment of an adminstrator might make the position more difficult. I have no doubt that we shall return to that matter in Committee. I suggest that my hon. Friend the Under-Secretary and I would not consider that the administrator was likely to be successful in any event, unless he negotiated fully and properly with the employees.

The Bill aims to improve receivership as a business rescue mechanism by adding to the receiver's powers where that receiver is appointed to the whole of a company's property. Such receivers will in future be known as administrative receivers. It also improves the adminstrative receiver's accountability and clarifies the extent of his powers and duties. The work of an administrative receiver to effect rescue will be bolstered by the addition of a power to compel the sale of a charged asset where this will enable him to achieve a more advantageous realisation of the assets, including sale of the business as a going concern.

The last major area of the Bill concerns the simplification and reform of the individual and corporate insolvency procedures. The essential requirement of a modern insolvency code is to ensure that the causes of commercial failure are the subject of investigation, both to detect and penalise fraud and dishonesty and to promote a sound commercial environment in which business may prosper.

The Government accept that, to meet this objective, the existing legislation requires extensive modernisation. In

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this respect, the Bill implements many of the recommendations of the review committee. In introducing reforms, the opportunity has been taken to harmonise procedures common to corporate and individual insolvency, wherever possible. The result is a simplified insolvency code—simplified certainly in its legal effect —which will enable the official receiver to concentrate on his investigative work and will at the same time enable liquidators and trustees to carry out their work with the minimum of fuss, expense and official interference.

The hon. Member for Norwood (Mr. Fraser) specifically referred to expense and official interference. In talking about insolvency procedures, he made a point about the allowance for the wife. I refer the hon. Gentleman to the words used by my hon. Friend the Under-Secretary in his opening speech when he referred to the matrimonial home and the consultative document that has been published on that subject. I suggest that the hon. Gentleman could make those points in response to that consultative document.

Part II, chapters V to VII of the Bill, contain the changes to be made to corporate insolvency procedures. Part III introduces a new bankruptcy code replacing the Bankruptcy Act 1914.

This comprehensive reform of the insolvency legislation has been anxiously awaited for a substantial time by those who practise in this area. The Bill now achieves this reform and establishes corporate and personal bankruptcy codes appropriate to the late 20th century. The subject is not perhaps attractive, but financial failure is a fact of life. Risk taking is a requirement of a successful economy and it is inevitable that in some cases ventures will prove unsuccessful. We therefore need procedures which deal sensibly with failure. These procedures must encourage the avoidance of bankruptcy where possible. They must ensure investigation of failure so that wrongdoing may be punished and the public protected from incompetence and impropriety. Finally, they must allow the affairs of insolvent companies and individuals to be resolved with the minimum of expense and inconvenience. The Bill makes significant improvements in this country's insolvency procedures in all three areas. I believe that it is warmly welcomed and am sure that it will receive the support of the House.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills).

INSOLVENCY BILL *[LORDS]* [MONEY]

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Insolvency Bill *[Lords]*, it is expedient to authorise—

(a) the payment out of money provided of Parliament by any sums required by a Government department for defraying expenses incurred under or in consequence of that Act;

(b) the payment out of such money or out of the Consolidated Fund of any increase attributable to that Act in the sums so payable under any other enactment;

(c) the payment of any sums into that Fund. — *[Mr.*

Films Bill

Lords amendment considered.

New Clause

LEVY ON FEATURE FILMS, PRE-RECORDED VIDEO CASSETTES OR BLANK VIDEO TAPES

Lords amendment: After Clause 5, insert the following new clause—

" . The Secretary of State, after one year beginning with the day on which this Act is passed, and after consultation with persons considered by him to be representative of the film production industry may by order made by statutory instrument, establish arrangements to supplement the financial assistance provided under section 5(1) of the Act by funds derived from any or all of the following schemes, that is to say—

(a) a levy from independent television contractors and the BBC or an appropriate sum of money to be determined by him in respect of the showing by them of feature films on television, or

(b) a levy at such rate as he may determine on pre-recorded video cassettes containing feature film material and sold in the United Kingdom, or

(c) the appropriate film proceeds of any levy scheme approved by him in respect of blank video tape sold in the United Kingdom."

9.23 pm

Mr. Speaker: I have to draw the attention of the House to the fact that the Lords amendment involves a major infringement of the financial rights of the Commons. The amendment, in its third paragraph, involves a charge upon the people. Although it is not within my power to withdraw the Lords amendment from consideration by the House, it would in my view go beyond the conventions of the constitution for the House to agree to it. I therefore call upon the Minister to move to disagree with the Lords in the said amendment.

Mr. Tim Brinton (Gravesend): On a point of order, Mr. Speaker. I fully accept your ruling, but it raises an interesting point. Would you give the House further clarification? As I understand it, the amendment compels private money to pass from one company to another and not through the public purse. Will you enlighten the House, Mr. Speaker, as to whether, in view of your ruling, you would feel the same about the television levy, the BBC licence fee and other compulsory measures ordered by the House which do not pass through the Treasury?

Mr. Speaker: The House has to consider the amendment sent to it by the Lords. If the amendment had consisted of paragraphs *(a)* and *(b)* only it would doubtless not have raised difficulties. The element of tax lies in paragraph *(c)*. The sellers of blank video tapes have no community of interest with the production of films and would derive no benefit from the proposal. It is therefore a tax on that group. That is why I ruled as I did.

Motion made, and Question proposed, That this House doth disagree with the Lords in the said Amendment.— *[Mr. Norman Lamont.]*

Mr. Bryan Gould (Dagenham): In the light of your ruling, Mr. Speaker, we can do nothing other than reject the amendment. However, I should like to take the opportunity to express my surprise and anxiety at the fact that we have found ourselves in this extraordinary position. We are owed an explanation as to why that point of vires was not raised in the other place when the matter

was discussed. The matter was pressed to a Division. The point was not taken by the Government's business managers. We need to know why that happened.

I hope that if the matter returns to the other place we shall not be subject to the same confusion and incompetence as happened on this occasion. I hope also that the confusion will not obscure the fact that not just every voice from within the industry has pronounced upon the substance of the matter but that the Standing Committee of this House and the other place have firmly expressed a view. By implication, the other place has rejected the opinion of Lord Lucas that the film industry is merely a commercial industry like any other.

While of course I accept your ruling, Mr. Speaker, I hope that the Government will give due weight to the fact that the other place firmly expressed a view that was also expressed by the Committee on the Bill, and that that view will be acted on if and when the other place is able to put its house in order and return the amendment in proper form.

Mr. John Gorst (Hendon, North): Self-evidently, as you have ruled, Mr. Speaker, the matter cannot be considered in this House. It may well be that, when it is reconsidered in another place, there will not be the attendance that a Maundy Thursday attracts and consequently a different view may be taken—not by those who spoke in an unholy alliance of Conservatives, Liberals, independents, Social Democrats and Labour peers, but in the Division Lobbies. If that should be the case, this may be the last opportunity for the House of Commons to consider those aspects of the amendment that would have been acceptable if it did not have the faults to which you, Mr. Speaker, have referred.

In the hope that the record of our deliberations will be read in another place, I wish to say that there is great merit in two of the subsections in the amendment. They would give the Government a stop-gap if things should go wrong with the film industry in the manner that those who have considered the history of the industry over the past two or three decades have come to expect. We expect that there will be moments when things are going well, when there is investment, when the industry looks attractive and when Governments are therefore able to argue that there is no need for Government support. There will be other moments when the industry faces a crisis. We would do well to arm the Government of the day with the permissive opportunity provided by the two subsections, to look after the interests of the British film industry.

I hope that that message will be available to those in the other place when they try to make the amendment acceptable for us to reconsider. However, it may be wishful thinking to hope that, after being considered on something less than a Maundy Thursday, the amendment will be sent back here.

Mr. John Powley (Norwich, South): I seek your guidance, Mr. Speaker. I communicated to you my wish, if there was a debate on the amendment, to oppose the subsections in the Lords amendment. Am I to understand that your ruling precludes any discussion of the subsections, or any opportunity to suggest why they should be opposed?

Mr. Speaker: The Lords amendment is debatable in the negative sense, "That this House doth disagree with the Lords in the said amendment". I do not know whether, in the light of my ruling, the hon. Gentleman would wish to pursue the matter.

Mr. Powley: I am happy to accept your ruling, Mr. Speaker, and to place it on record that some hon. Members would oppose the amendment should it ever return to this Chamber.

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): I am sure that the other place will note what my hon. Friend the Member for Hendon, North (Mr. Gorst) has said. The hon. Member for Dagenham (Mr. Gould) should remember that the amendment was opposed by the Government in another place. The content of an amendment opposed by the Government can hardly be the fault of the Government's business managers. Whether an amendment is an infringement of the rights of the Commons is a matter for the Chair.

Question put and agreed to.

Committee appointed to draw up a reason to be assigned to the Lords for disagreeing to their amendment to the Bill: Mr. Alex Fletcher, Mr. Bryan Gould, Mr. Norman Lamont, Mr. Michael Neubert and Dr. Roger Thomas. Three to be the quorum. — *[Mr. Norman Lamont.]*

To withdraw immediately.

Reason for disagreeing to the Lords amendment reported, and agreed to; to be communicated to the Lords.

Town and Country Planning (Compensation) Bill

Lords amendments considered.

Clause 1

RESTRICTION ON COMPENSATION: ENGLAND AND WALES

Lords amendment: No. 1, in page 2, line 6, leave out from first "in" to "contained" in line 7 and insert "either an increase in the number of such dwellings contained in the building or an increase of more than one-tenth in the cubic content of any such dwelling".

9.30 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Neil Macfarlane): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Speaker: With this we are to discuss Lords amendment No. 2.

Mr. Macfarlane: One of the primary purposes of this Bill is to remove the right to compensation under the provisions of section 169 of the Town and Country Planning Act 1971 for adverse decisions on planning applications for extensions to blocks of flats in existence on 1 July 1948.

As I explained on Second Reading, the necessity for the Bill arises largely from the manner in which these compensation rights were being exploited following the decision of the Court of Appeal in the Peaktop Properties case, where the proposed extensions took the form of an additional storey of flats.

The Bill was originally drafted with this specific abuse in mind, and covered cases only when the proposed extension would lead to the creation of additional flats. Concern was expressed, notably by my hon. Friend the member for Kensington, (Sir B. Rhys Williams), who has taken a close and rigorous interest in the Bill, that it would be possible to get round this provision, for example, by adding an additional storey which would convert the top floor into maisonettes, without creating additional units. He argued that we should therefore also cover cases where an extension would increase the size of any individual flat by more than 10 per cent.

I undertook to consider that point, and a Government amendment was put down and accepted in another place with a corresponding amendment to the equivalent Scottish legislation.

Before suggesting the acceptance of these amendments, I should like to take this opportunity to make a more general comment. There has been virtually total agreement from all sides in both Houses to what we are doing in the Bill—I am grateful for the Opposition's support—and we have received support in dealing with what had clearly become a flagrant and unacceptable abuse.

I recognise that some Members of both Houses would have liked us to go further, and to deal with other compensation provisions in the 1971 Act which can be regarded as obsolete and no longer in line with current needs and which are also capable of being abused. Although it is quite reasonable, and indeed essential, to deal with an obvious abuse without warning, any wider changes to these very complex provisions require careful thought, and ought to be the subject of proper consultation. For this reason, we have felt it necessary to resist all attempts to widen the scope of the Bill, however worthy they appeared to be at first sight.

I am, however, happy to repeat the assurance given in another place that the Government will now undertake an urgent review of compensation provisions in the 1971 Act. We intend to issue a consultation paper by the summer to enable all the relevant issues to be fully debated. If, as a result of this review, we conclude that further amending legislation is indeed required, perhaps coupled with appropriate amendments to the general development order, the necessary Bill will then be introduced at the earliest opportunity. By proceeding in this way, I hope that we can find a balance between the various interests which commands widespread acceptance.

Sir Geoffrey Finsberg (Hampstead and Highgate): My hon. Friend the Minister will be aware that Peaktop was in my constituency and that, with my hon. Friend the Member for Kensington (Sir B. Rhys Williams), I have tried to persuade the Ministry to act in this way. The possibility of approaching the matter in this way was my hon. Friend's idea and the amendment should stop such things happening again.

I accept that it would not be possible at this stage to go further. However, I hope that my hon. Friend will be fairly rigorous in the timetable he sets for response to his consultation document. The British Property Federation does not always act as fast as it is capable of doing, and I find that early closing dates concentrate the mind wonderfully. I therefore ask my hon. Friend to put an earlier date than perhaps his officials will try to advise him to impose on this occasion.

Sir Brandon Rhys Williams (Kensington): I should like to thank my hon. Friend very much for the way in which he has responded to the need that arose in inner London, and outside London as well, because of the abuse of the law which became possible and which is causing very great concern to local authorities, which might find themselves liable for the payment of possibly huge sums running into millions of pounds in terms of compensation.

The question of possible retrospection in legislation has been touched on in another place. It is, perhaps, important to mention the word here and to ask my hon. Friend if, before our short debate concludes, he will make very clear what the Department's thinking is. We look forward to the consultation paper which has been promised by the summer and we expect a review by the Government which may contain recommendations on possible abuses which escape the legislation the House is about to endorse.

I sought to introduce a Bill in the House on 7 December 1984 to restrict the liability of planning authorities for the payment of compensation under the provisions of section 165 or 169 of the Town and Country Planning Act 1971. I had to consider very carefully whether it was appropriate to introduce legislation in that way because by so doing I was serving notice on all the people interested in exploiting this possibility for abuse that Parliament was taking an interest in the matter and might act. It did, of course, give them the opportunity of rushing in applications which they hoped would escape the provisions of any legislation which might be brought in.

My hon. Friend responded extremely quickly because the Department's Bill—the Town and Country Planning (Compensation) Bill—was tabled on 24 January and it

was intended by the Department—absolutely rightly, in my view — that it should have immediate effect. I sought to amend the Bill after Second Reading because I thought that it had an obvious gap in it and my hon. Friend has responded in exactly the way I hoped by accepting an amendment in the other place which fully meets my particular anxiety. I hope that this is so, but there are very ingenious people who are hoping to make a great deal of money even now by finding lacunae even in the present legislation.

If it were found that through errors of drafting or for some other reason there were still gaps, I think that the House would be entitled to seal them retrospectively. We have served warning that we are not prepared to tolerate these abuses and, if people are so ingenious that they are able to find ways round the law, I think that what Lord Skelmersdale said in the other place was right. He said: "if any legislation proposals should need to include a retrospective element because of further abuse, I feel confident that your Lordships would again overcome your normal dislike of such legislation and give it your blessing." — [*Official Report, House of Lords*, 4 April 1985; Vol. 462, c. 365.]

I would like it to be made very clear by my hon. Friend that that represents the Department's view; that of course we in this House all dislike retrospective legislation just as much as it is disliked in another place, but that, in the particular circumstances, that would be something that the Department would be prepared to introduce.

Mr. John Fraser (Norwood): We have supported this Bill because we do not like to see people making money from the exploitation of rights in land to which they have contributed nothing. I agree with the hon. Member for Kensington (Sir B. Rhys Williams) that there was a gap, that Homer nodded and that we can now nod it home.

Mr. Macfarlane: With the leave of the House, may I say that I am grateful for the remarks of the hon. Member for Norwood (Mr. Fraser) and for his support in closing the loopholes. With the benefit of the discussions in the other place and of the contributions from my hon. Friends the Members for Hampstead and Highgate (Sir G. Finsberg) and for Kensington (Sir B. Rhys Williams), we have got the legislation right. I accept what my hon. Friend the Member for Hampstead and Highgate has said, as he has taken a close interest for more than a year or so in this timetable. A rigorous appraisal is essential over the ensuing months, and I shall put a firm date on that so that the research can be completed as soon as possible.

Like my hon. Friend the Member for Kensington, I read column 365 of the debate in the other place on 4 April and I am aware of the commitment, which I think I echoed in my opening speech on Second Reading. I am happy to repeat that assurance, and we shall undertake this urgent and rigorous review. The compensation provisions of the 1971 Act require that. We are anxious to proceed and I hope that those ingenious people to whom my hon. Friend the Member for Kensington referred will recognise that the Government mean business, and that the House means business. What will now go on the statute book will act in the best interests of my hon. Friends' constituents.

Question put and agreed to.

Lords amendment No. 2 agreed to.

Industrial Development Bill *[Lords]*

As amended (in the Standing Committee), considered.

Question, That the Bill be now read the Third time, *put and agreed to.*

Bill accordingly read the Third time, and passed, without amendment.

Sheepmeat Regime

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

9.41 pm

Mr. Roger Freeman (Kettering): This debate on the sheepmeat regime comes at an opportune moment. I gather that discussions in Brussels at the beginning of April and on 21 and 22 April brought no agreement on the continuation of the sheepmeat regime as it applies in Great Britain. All the sheep farmers in my constituency, and in Great Britain, wish my right hon. Friend the Minister of Agriculture, Fisheries and Food and my hon. Friend the Minister of State every success when they go to Brussels again this Thursday, and hope that they can secure an acceptable settlement. I thank my hon. Friend the Minister of State for taking the trouble to attend this debate, and I look forward to his contribution.

Since its creation in 1980, following the so-called lamb war, the sheepmeat regime has provided a durable and efficient method of supplying housewives with plentiful cheap lamb while also ensuring an adequate return to the farmer. The regime is essentially a deficiency payment rather than intervention by assistance. In the years before our accession to the EEC, the system for providing support for many of our farming industries was essentially the deficiency payment system rather than intervention. I hope that the system will be allowed to continue working effectively. In the EEC, we are only 70 per cent. self-sufficient in lamb and there is by no means a lamb surplus, so, prima facie, the sheep farming industry should be encouraged.

I shall refer to four matters — first, the ways of improving the deficiency payment system; secondly, imports of lamb from New Zealand; thirdly, improving the auction system; and fourthly, the way that we promote English lamb. There is no need to promote English lamb in the House of Commons. My wife and I, together with one of my constituents, Mr. Drury, have enjoyed this evening an excellent repast of English spring lamb. I place on record my congratulations to the General Manager of the Refreshment Department. He at least is promoting English lamb, in the House of Commons.

My first concern is the seasonal scale of guide prices, which governs the amount of deficiency payments. The scale falls in a rough U-shape during the year, reaching a trough of guide prices set by the Commission from July to about mid-October. If a farmer receives a market price lower than the guide price, a variable and open-ended premium will bring his return up to the level of the guide price.

It is important to draw a distinction between the way the variable premium system works for the sheep farmer and the situation in the beef industry where there is a limit on the amount of variable premium that is paid and makes up part of the overall return to the farmer. In the sheep industry there is an open ended premium which is payable to the farmer.

The present sharp rate of fall in the scale of the guide prices during June and July is disrupting the market. In the four weeks from mid-June to mid-July last year the seasonal scale of guide prices fell at an average of 9p per kg per week. That sharp rate of fall in midsummer has created an erratic market. Market prices rose sharply last year from mid-June to early July. That was because farmers held back supply as the drop in the guide price meant a lower return. The resulting high market price stimulated supply, which in turn brought the market price down again. That set in motion a roller-coaster effect on the market price from mid-June to the end of August, as prices fluctuated up and down. That volatility was a direct result of the sharp rate of fall of the seasonal scale of guide prices in June.

It is unfortunate that at a time when we should promote English lamb—from mid-July to the end of August—the seasonal scale should damage supply because the farmer cannot make sensible long-term plans for finishing and selling lambs, and the butcher may be reluctant to hold large stocks in volatile markets when he may be able to buy cheaper lamb in the following week.

As I said at the beginning of the debate, sheep farmers in my constituency wish my right hon. Friend the best in his further negotiations in Brussels. I wish to touch on one or two points which I am sure the Minister has in mind. They may be modest contributions to preparations for those discussions.

In a recent reply, my right hon. Friend said:

"the Commission's proposals for next year's seasonal scale offer no improvements and we shall continue to press for changes which will promote more orderly marketing." — [*Official Report,* 14 March 1985; Vol. 75, c. *273.*]

I hope that when my right hon. Friend does so, he will bear in mind the advisability of changing the seasonal scale of guide prices so that there will be a maximum fall in guide price in any one week of between 5p and 6p.

The Commission has also suggested that the payment of the variable premium should be controlled by the operation of the limited gap. I have already referred to the parallel with the beef industry, where the variable premium is subject to some restrictions.

I noticed from a parliamentary question on 14 February that my hon. Friend the Minister firmly rejected the Commission's proposal that any loss of return suffered by English farmers through the operation of a limited gap in the sheep variable premium would not be made up by a corresponding increase in the new premium. I welcome his determination on this point. In other member states, the ewe premium is the sole mechanism operated, but Great Britain has the variable premiums as well, partly because we have an efficient marketing system. Since Britain is the only country to use the variable premium system, it would be the only country affected by the Commission's limited gap proposals. For the Commission to decide that any revenue lost by farmers through this limited gap would not be corrected through the ewe premium discriminates against British farmers and must be resisted.

I must congratulate my right hon. and hon. Friends on their stand on this point so far. Indeed, attack is often the best form of defence. Perhaps when my right hon. Friend and my hon. Friend continue their discussions, they will in passing try to sell the advantage of the variable premium system to some of the other member states. Although Britain is the only country to use it, there is no reason, in theory, why France could not operate the system. One understands that there would be practical problems—Britain has a much more efficient marketing system—but there is no reason why the sheepmeat regime should not become a genuinely European system.

Also of considerable importance is the recent growing pressure from other EC countries for changes to the British system of clawback on ewe exports through the special

export certification system. In simple terms, the system pays the variable premium on certified ewes to the farmer, which is then paid back by the exporter through clawback. It enables us to benefit the producer but still to sell an effectively unsubsidised product to other European nations. I praise the volume of exports of lamb and mutton from Great Britain this year, which I understand is running at the rate of 50,000 tonnes to France alone. That is a creditable achievement and a reflection of the fact that Britain produces high quality lamb and mutton. The fact that the French are importing that quantity of our lamb reflects extremely well on our farmers.

Some member states wish the United Kingdom's variable premium payment on ewes to be abolished, while retaining the clawback. That is unfair. Why should we discriminate against our efficient farmers? I realise that the Government oppose this pressure, and once more I thank my right hon. and hon. Friends for it. I hope that they can assure the industry that their stance will remain firm.

The second subject that I wish to raise is imports of New Zealand lamb. Such lamb is unquestionably popular with British consumers and has been for some time, but New Zealand has a voluntary export restraint agreement with the EC of 245,000 tonnes. In 1984, New Zealand exported 185,000 tonnes to the European Community; 144,000 tonnes came to Britain alone, representing 30 per cent. of our home market. However, Iran has increasingly become an important market for New Zealand lamb; it is the largest importer of lamb in the world and nearly all of it comes from New Zealand. What would happen if, as in 1982, New Zealand lost that market overnight, if only for a temporary period? Iran is an extremely volatile lamb market—indeed, it has an extremely volatile economy—and if that happened, New Zealand would have a shortfall of about 60,000 tonnes on its voluntary restraint agreement with Europe. I can imagine the implications for the British industry if New Zealand diverted its exports from Iran to the EC. I am sure that most of the EC imports would come to Britain.

Therefore, there is a case for discussing a new voluntary restraint agreement with New Zealand, perhaps proposing a figure of 185,000 tonnes, which is the present level of trade. That suggestion has an advantage over increasing tariffs from the present level of 10 per cent., although that rate was reduced from 20 per cent. during the latest negotiations with New Zealand.

New Zealand is an old friend and close ally of Britain and our ties are strong. It would be unfortunate to handicap New Zealand by increasing tariffs—I am not proposing that — but a new voluntary restraint agreement of 185,000 tonnes, which is the present level of trade, would be equitable and fair, and I hope that the Minister will consider that suggestion.

I come to the fat class grading of lamb. The 1984 report from the Committee on the Medical Aspects of Food Policy recommended encouraging the production of leaner lamb carcases. The Government responded by proposing the exclusion next year of fatter animals from the variable premium scheme, and I welcome that decision.

There has been talk lately in parts of the industry that live weight grading should be abandoned in favour of purely dead weight grading; that is, the abandonment of the system of grading in the auction market and relying entirely on grading in the slaughterhouse. Live weight, though it cannot measure the exact amount of fat on an animal, is a skilful and dependable process. What is more, in the live weight market, such as that in my constituency of Kettering, price competition occurs, and the farmer always has the option of withdrawing his sheep from sale.

Few will question the value of competition from the point of view of the consumer's pocket. If we removed live weight grading, the meat companies would become the major buyers and much competition would be lost from our auction markets. I hope that my hon. Friend will ensure that the choice between dead weight and live weight grading will remain within the industry.

I have concentrated on protecting our interests in Europe and on safeguarding our home market. Ultimately, in the shop, with the consumer, English lamb must be successful, so we must consider the question of sales promotion.

The United Kingdom producers' share of our domestic market has increased, and it stood last year at about 60 per cent., the balance being made up by New Zealand imports and others. Nevertheless, lamb and mutton consumption has been falling in the United Kingdom since 1974. Since 1980 it has fallen from 4·5 ounces per capita per week to 3·3 ounces in 1984. It is fair to say that, unfortunately, English lamb has a rather conservative image. However, I am glad to say that many people who obviously enjoy home cooking and preparing the evening meal do not share that view.

About £2·5 million a year is allocated by the industry to promoting English lamb. The money is raised through a levy on producers and slaughterers. New Zealand, by comparison, spends £5 million a year on advertising and presents lamb as versatile, fashionable, tasty and, of course, cheap. In the United States, too, great culinary things are being done with lamb.

In this country, Matthews' Turkey Farms has begun to produce rolled, boneless New Zealand lamb products. It is regrettable that Matthews had to resort to an agreement with New Zealand producers and was unable to conclude negotiations with English slaughterhouses. It is a pity about that, but I wish Matthews well, as I wish well all innovations in this market.

I understand that the industry may wish to raise more money, and I urge the Minister to support any necessary changes to the 1967 Act to enable producers to contribute more, if they wish to do so. In addition to money, we should review the way in which the campaign is mounted. We need to emphasise to schoolchildren and young families the increasingly lean nature of English lamb, which should be more acceptable in terms of both health and taste and fashion. Once we have dealt with the technicalities of the sheepmeat regime and imports and exports, it is here in the home market that our lamb needs help and promotion. I pay tribute to the Meat Promotion Executive whose vice-president is a constituent of mine in Kettering. It has done——

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

Mr. Freeman: As I was saying, I pay tribute to the Meat Promotion Executive. I am glad that its vice-president is a constituent of mine. He has been very helpful in the preparation of my remarks. In the 1960s, the Northamptonshire farmers were among the earliest in encouraging self-help in the industry and promoting the products of the industry. I am very proud that many of

[Mr. Freeman]

them are my constituents. English lamb is a great product with great potential. I hope that this will be remembered, as I know it will, in the coming months by my right hon. and hon. Friends in the Department. My constituents and all those who are involved in the sheep farming industry wish them well in their negotiations in Brussels.

10.1 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John MacGregor): I am grateful to my hon. Friend the Member for Kettering (Mr. Freeman) for raising this important issue and I congratulate him on the skilful and perceptive way in which he has put his case. Sheep farming is an essential part of our agriculture industry. We are the Community's largest producer, consumer and trader of sheepmeat, accounting for 39 per cent. of production and 43 per cent. of consumption in the Community. Not only is the subject important but the debate is timely. As my hon. Friend has already mentioned, this year's price-fixing discussions will be continuing later this week, on this occasion in Luxembourg, not in Brussels. They may well go through the weekend to the bank holiday Monday and the sheep sector will be an important element. The fact that my right hon. Friend the Minister of Agriculture, Fisheries and Food is attending the Adjournment debate demonstrates the importance that we both attach to this subject.

To set the background, let me first mention the central features of the regime. The aim of the regime is to guarantee to producers average incomes to the level of a basic price set each year by the Council of Ministers. If average annual market prices in any community region fall below the basic price, support is paid through an annual premium which is a headage payment on breeding ewes. In addition, member states may opt to provide weekly support when market prices fall below a seasonalised guide level, averaging 85 per cent. of the basic price. In Great Britain, variable premium payments provide the weekly market support. It is the seasonalised scale of guide prices to which I have just referred and to which my hon. Friend referred, that has caused the problems so clearly spelt out by him.

Ironically, when the Commission first proposed changing the scale of guide prices at the 1984 price-fixing, it was with the aim of smoothing the flow of marketings and reducing Community expenditure. We agreed with those aims but said quite forcefully at the time that the changes were too great and forecast that there would be market disruption. Unfortunately, events have proved us right. As early as July 1984 we were pointing out the problems to the Commission, and we have done so persistently since. In the autumn we thought that it had recognised the force of our arguments. We were therefore disappointed when we received the Commission's price-fixing proposals earlier this year, which do not include any improvement in the seasonal scale. Throughout the negotiations we have been stressing the need for a scale permitting more orderly marketings, as my hon. Friend has done tonight in his remarks.

There are, as always, other points of view in the Community. We are convinced, however, that our arguments are right and we shall continue to seek to persuade the Commission and the other member states of the sound technical reasoning behind our arguments.

My hon. Friend also mentioned the commission's proposal relating to the variable premium. It has suggested a limitation on the variable premium and related clawback payments so that if there would otherwise be above a level equal to 25 per cent. of the guide level they would be abated by up to 5 per cent. Linked with this is a proposal that any reduction in producers' returns caused by the limit on variable premium payments.

The second part of this proposal is known as the recovery bar, which I think my hon. Friend had in mind when he referred to the limited gap. In principle, we are willing to consider a ceiling on variable premium, since such an arrangement could help our exporters. However, as my hon. Friend explained in his speech, the recovery bar would mean that the returns of producers in Great Britain were no longer guaranteed to the basic price, as they would continue to be elsewhere in the Community, but to a lower level. That implies discrimination against us, which we are strongly resisting. Therefore, I can confirm that we continue to oppose the proposal vigorously, though the House should be in no doubt that we are under great pressure in the negotiations in this area.

The same point about heavy pressure on the current negotiations applies to the special export certification scheme, to which my hon. Friend referred. I am grateful for what he said. The scheme was set up in 1980, shortly after the introduction of the regime. The need for it arose because the Commission ruled that clawback — the charge on our exports into the Community—had to be paid on all presentations of sheepmeat, whether or not they had received the benefit of premium. We did not accept that interpretation of Community legislation. It is patently illogical to have clawback which is meant to compensate for a premium that has been paid applied to the export of animals which have never had the premium paid on them in the first place. So we insisted on finding a way to deal with that, which would permit continued exports. It was agreed that we would pay a notional—I emphasise the word "notional" — variable premium on presentations that would normally be ineligible for certification in order to offset the clawback charge. I want my hon. Friend and the House to be under no illusion that that arrangement is currently under heavy attack, but we are firmly opposing the pressures to end the scheme.

I should like to refer to imports from New Zealand. As the House knows, New Zealand has long supplied the United Kingdom market with lamb. Nearly all of it is marketed frozen, and to date it has met a separate market demand from our own lamb, which is a fresh product. Indeed, I think that it is fair to say that New Zealand supplies have complimented our own. Of course New Zealand could, if she so wished, send unlimited qualities of lamb to the Community under the general agreement on tariffs and trade, a point to which I shall return. Instead New Zealand has reached what is aptly described as a "voluntary restraint agreement" with the Community under which, in exchange for a reduction of the tariff to 10 per cent. ad valorem, New Zealand has agreed to limit her sendings to 245,500 tonnes.

My hon. Friend has suggested that the permitted import tonnage from New Zealand might be reduced. The Community has, of course, reached voluntary restraint agreements with all its major suppliers, and during 1984, at the request of certain member states, the Commission approached all those suppliers with a view to negotiating a reduction of quantities permitted under the agreements,

which is what my hon. Friend suggested should be done now. My hon. Friend may like to know that it was not only for New Zealand but for all the suppliers under the VRA system that the Commission subsequently reported that such a change was not negotiable.

My hon. Friend said that New Zealand sent 144,000 tonnes to the United Kingdom during 1984. In fact, that quantity represents the lowest level of imports from New Zealand since the war. He also mentioned that 217,600 tonnes arrived in 1982. However, a considerable proportion of that tonnage was not released direct on to the market but was put into store. Indeed, it is worth stressing that New Zealand supplies generally are being phased on to the market in a way that demonstrates sensitivity to our market requirements.

I should make it clear to my hon. Friend that for those countries, including New Zealand, there is a GATT binding for access for unlimited quantities at a tariff of 20 per cent. ad valorem. The voluntary restraint agreement is what it says—voluntary—so the Commission cannot unilaterally force a lower figure in the import quantity because if there was no mutually acceptable arrangement on a VRA, New Zealand would have the right to send unlimited quantities at that 20 per cent. tariff ad valorem.

My hon. Friend talked about the COMA report and liveweight certification. I am grateful for what he said. The COMA report suggested that less fat should be consumed. Certainly, there is a good deal of evidence that consumers are tending to prefer leaner meat. We took the decision to respond positively to the report by announcing changes in the certification standards for variable premium designed to encourage producers to adapt to that demand. It is also important in the context of marketing, which my hon. Friend stressed, to have a support system which takes account of modern marketing needs and modern consumer perceptions.

We were also anxious to give producers time to adjust their husbandry and breeding practices. Accordingly, we decided that the changes in certification standards should be effective from the beginning of the 1986 marketing year and that meanwhile there should be a suitable programme of advisory events designed to help producers make the necessary adaptations.

I noted my hon. Friend's comments about liveweight certification. I am aware of the critics of the system. However, liveweight auctions are part of our traditional system of marketing and, as my hon. Friend said, advantages are attached to them.

My hon. Friend made some interesting remarks about the promotion of lamb. In particular, he suggested that more money should be spent on promoting a more dynamic image for lamb and on boosting consumption of home-produced meat. I agree that we should make the best of this excellent product, but to do so our lamb must be of the highest quality and the way in which it is presented and processed must be in accordance with what today's consumer wants. I was, therefore, glad when Food from Britain recently launched its foodmark—an umbrella for new and existing quality assurance schemes in different commodity sectors.

Scottish and Welsh lamb producers have already had their schemes accepted by FFB and before long their lamb will carry the foodmark. That is a good step forward and in line with what my hon. Friend seeks. FFB regards the foodmark as the means by which producers can guarantee the quality and reliability of its products. It is open to English lamb producers to come forward with their own quality assurance scheme if they wish to do so.

I must also mention meat promotion itself. I was pleased when the Meat and Livestock Commission launched a new initiative last year by setting up an independent review of its meats promotion work, to which my hon. Friend referred. The report of that review was published last autumn and the MLC announced its response only yesterday. Much of what the MLC now proposes concerns its own internal procedures and it is not appropriate for me to comment in detail.

My hon. Friend will be interested to know that the proposed new arrangements include the establishment of a promotion council specifically for lamb, and separate councils for Welsh lamb and Scottish beef and lamb. The councils will be responsible for deciding how much money should be raised for producers to finance lamb promotion and how and when it should be spent. The MLC has only just announced its proposals, and discussions will take place. If the proposals are implemented, the arrangements might lead to the increase in total expenditure for which my hon. Friend has called.

Although, naturally, I am keen for the initiative and momentum to be maintained, it is important to reach a broad agreement among all concerned about exactly what needs to be done. The industry will be giving the proposals careful and constructive consideration in the coming days and weeks. The same applies to Ministers in so far as the proposals might call for Government action.

I have mentioned the particular initiatives taken by Food from Britain and the MLC, but I have seen for myself the excellent efforts that individual companies and producers are making on the marketing of lamb. Their progress is encouraging.

My hon. Friend is interested in the wool sector, although he did not mention that tonight. No discussion about the British sheep industry would be complete without something being said about that sector. The years prior to 1984 were not especially easy for the wool industry, because market prices were relatively depressed. The guaranteed price set by the Government played a valuable part in stabilising producers' incomes from wool. The guarantee was maintained at a constant level for four years until 1984 when there was evidence of a recovery in market prices. On the basis of the more optimistic situation, the Government announced an increase of 5p per kg in the guaranteed price for the 1984 clip.

The sales results for the last year have fully supported that decision and prices have reached record levels. As a result, Exchequer advances have been reduced substantially. By the time that the 1984 clip of wool has been sold the sum outstanding to the Exchequer is expected to be about £8·3 million. This is some £7·8 million lower than a year ago. I am pleased to add that, as my right hon. Friend announced yesterday, this situation has enabled us to make a further 9p increase in the wool guarantee, which now stands at 129p per kg. This means that the guarantee has been increased by 12 per cent. over the last two years. This increase should enable producers to continue to improve the quality of their wool clip and so encourage the British Wool Marketing Board in its already notable achievements in promoting British wool. One has only to walk round one high street shop to see how many quality goods now carry the British woolmark. Abroad, our exports of wool textiles to Japan have increased four fold

[Mr. John MacGregor]

over the last four or five years so that as much as 16 per cent. of British wool is now exported there in one form or another. I am sure that my hon. Friend will welcome these developments as much as I do.

I am grateful to my hon. Friend for raising such a timely issue. I hope that I have demonstrated to him and to the House that, although considerable difficulties remain in the price-fixing negotiations this year, my right hon. Friend and I are very clear about what ought to be achieved in the sheepmeat regime, and we are grateful for his support on those points tonight.

Question put and agreed to.

Adjourned accordingly at sixteen minutes past Ten o'clock.

House of Commons

Wednesday 1 May 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

GLENSANDA HARBOUR ORDER CONFIRMATION

Mr. Secretary Younger presented a Bill to confirm a Provisional Order under section 7 of the Private Legislation Procedure (Scotland) Act 1936, relating to Glensanda Harbour: And the same was read the First time; and ordered to be considered upon Tuesday 7 May and to be printed. [Bill 134.]

Oral Answers to Questions

TRADE AND INDUSTRY

Government Regulations

1. **Mr. Amess** asked the Secretary of State for Trade and Industry how many representations have been received by the Scrutiny Committee on the burden of Government regulations; and if he will make a statement.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. David Trippier): Field work for the "Burdens on Business" report involved more than 280 small firms and 14 business organisations. It has been published to stimulate further comment from all concerned.

Mr. Amess: Does my hon. Friend agree that European Community requirements are playing a significant role in increasing the burdens on business? What does he intend to do about that?

Mr. Trippier: My hon. Friend is absolutely right. European Community requirements are a substantial and growing element in the regulatory burden. That is why my right hon. Friend the Prime Minister raised the matter at the last meeting of the Council of Ministers in late March. The Heads of State of all other member countries agreed with her, and I understand that the Commission has been asked to report back on necessary action.

Mr. Ashdown: What representations has the hon. Gentleman received about the burden of local government regulations on industry? Does he agree that over-zealous planning officers often place considerable burdens on businesses, especially small start-ups?

Mr. Trippier: That certainly features in the report. Planning was a major concern in relation to small firms. That matter has been brought to the attention of my right hon. Friend the Secretary of State for the Environment, and we hope that action will ensue.

Mr. Grylls: I congratulate my right hon. and hon. Friends on identifying these burdens and on the publication of the report. Does my hon. Friend agree that the quicker these obstacles to expansion are removed, the better? Will the Government consider whether the best way to achieve that is through the introduction of a deregulation Bill to scoop up and remove all those obstacles in one parliamentary measure?

Mr. Trippier: As my hon. Friend will recall, in the debate on small firms on 18 January I said that some form of co-ordinated mechanism might be introduced to carry these initiatives forward. I chose my words carefully, because the decision as to the form of any such co-ordinating mechanism will have to be taken by people very much senior to me.

Mr. Eastham: Does the hon. Gentleman agree that many local authorities have been extremely co-operative in relation to small businesses and that ratepayers have made considerable contributions, often carrying out duties which should be the responsibility of central Government?

Mr. Trippier: I do not necessarily agree with that, although I agree that in many cases local authorities have tried very hard to assist small firms. We are concerned about the response of councils to the exhortations of the Department of the Environment — for example, in circular 22/80, which was supposed to give the benefit of the doubt to businesses seeking planning permission. A further circular 16/84 was issued by the Department of the Environment more recently and was widely welcomed at the Department of Trade and Industry. We await with great interest the response of the local authorities.

Passenger Cars

2. **Mr. Hoyle** asked the Secretary of State for Trade and Industry what proportion of the United Kingdom market for passenger cars is now taken by imports; and how this figure compares with that for 1978.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): In the first quarter of 1985, 57·9 per cent. of the United Kingdom passenger car market was taken by imports. In 1978 the figure was 49·3 per cent.

Mr. Hoyle: Does the Minister agree that those figures prove that the Government are not defending the interests of the British motor components industry, given that in the 1970s it employed 1 million people but that figure has now dropped to 400,000? Will the Secretary of State now get on his cycle and defend the interests of people working in the motor industry by ensuring that multinational companies manufacturing in this country do not import complete vehicles from abroad? Will he also inform the Japanese that local content means United Kingdom, not European, content? Is he aware that the British motor industry will otherwise be decimated? What do the Government intend to do about that?

Mr. Butcher: The hon. Gentleman has chosen the dates of his survey with conspicuous cunning. He is aware that between 1974 and 1979 imports of motor vehicles doubled from 28 per cent. to 56 per cent. It is this Government's duty to ensure that the more malignant trends of that period are put into reverse and that our motor industry becomes more competitive.

Of course we are anxious to see the maximum British content in British-built cars. That is why we stipulated certain measures in the Nissan deal and why we are anxious to support the flagship British motor industry builder, British Leyland, to the tune of £1·43 billion during the lifetime of this Administration.

Mr. Stanbrook: To what factors does my hon. Friend ascribe the reluctance of the British public to buy British cars? Will those factors be taken into account when Austin Rover next wishes the taxpayer to subsidise it?

Mr. Butcher: My hon. Friend should note that very good strides have been made by British vehicle builders. It is unfortunate that a large number of people in the United Kingdom have acquired the habit of buying foreign cars. They are not looking, as they should, at the better model range and increased quality now coming forward from British vehicle builders. I hope that they will reacquire the habit of at least looking again at British products.

Mr. Terry Davis: In view of that answer, will the Minister take this opportunity to confirm that the Government, by refusing to allow British Leyland to put a new engine into production, are forcing it to buy Japanese engines, with a consequent loss of 5,000 jobs, mainly at the Longbridge factory in Birmingham?

Mr. Butcher: As a Member for a distinguished constituency employing many car workers, the hon. Gentleman has a responsibility not to spread alarm and despondency by such questions. The matter that he has raised will be considered, among other matters, in the time-honoured tradition as part of the corporate plan. At the moment, I can say that the hon. Gentleman's question is pure conjecture.

Mr. Beaumont-Dark: I thank my hon. Friend for confirming that the Government are not yet prejudiced against the future of Austin Rover. Will he confirm that it would be in the best interests of the British motor industry if we had a British engine? Will he further confirm that if it was good enough for the mines to lose money, the modest extra sum of a comfort letter would help the British motor industry and save more than 5,000 jobs?

Mr. Butcher: The whole question of future product development must be considered in the context of our discussions on the corporate plan. Of course, we appreciate BL's wish to see a design capability retained in the United Kingdom. Part of its submission is to be able to exercise that choice.

Mr. John Smith: Will the Minister confirm what is known throughout the country—that the corporate plan includes a proposal to build a replacement for the A-series engine, costed at £250 million? Have not the Government refused to endorse BL's request? Is not the Department of Trade and Industry at war with Austin Rover over that project? Will the Minister end the uncertainty caused by the Government's reluctance to support the only remaining independent British vehicle manufacturer and stand by British industry, rather than force it into the hands of the Japanese?

Mr. Butcher: Relations between BL and the Department of Trade and Industry are in their usual excellent shape. There is no confrontation or warfare. There is no formal bid for additional funding in the corporate plan. The question of BL's future product development strategy is one of the major matters to be considered as part of the discussions on the corporate plan. As previous Administrations have done, we shall place our conclusions before the House at the appropriate time.

Mr. Powley: Does my hon. Friend agree that one of the ways to improve British car market penetration, and so reduce import penetration, would be for hon. Members —when both inside and outside the House—to condemn practices such as industrial disputes, go-slows, demarcation disputes and excessive wage demands? Would not that improve the quality, productivity and delivery of British cars on to the British market?

Mr. Butcher: My hon. Friend is right in identifying some of the past causes—*[Interruption.]*—of the British motor industry's difficulties. I am bound to say to him, if Labour Members will allow me to finish my sentence, that many of the malignant trends are being put into reverse and that British consumers should look yet again at the British product. In concentrating on BL, hon. Members may have missed an important target. There has been a significant increase in productivity and improvement in working practices within Vauxhall Motors and Ford. Vauxhall Motors is selling only 50 per cent. of its total production in the United Kingdom from the British-built source. It has only a 50 per cent., or less, British content in the cars which it manufactures. We are concerned that Vauxhall Motors and Ford should start cranking up their British content, British sales and British build.

General Agreement on Tariffs and Trade

4. **Mr. Malone** asked the Secretary of State for Trade and Industry what progress is being made towards a new general agreement on tariffs and trade round of international talks on trade.

11. **Mr. Gould** asked the Secretary of State for Trade and Industry what progress is being made in preparing for talks aimed at a new round of tariff reductions.

The Minister for Trade (Mr. Paul Channon): We are making good progress towards a new round of multilateral trade negotiations, although we do not yet have the agreement of all the GATT members. I hope that the Bonn economic summit will provide further impetus towards the launch of a new GATT round in 1986.

Mr. Malone: Does my right hon. Friend agree that freer trade will mean more trade and that more trade will mean more jobs in Britain? Will he give the House an assurance that the Government are doing what they can to ensure that all the GATT members enter into a new round of talks so that freer trade can be established as quickly as possible?

Mr. Channon: Yes, I can give my hon. Friend that assurance. I agree with what he has said. Since the second world war, world trade has increased eightfold, while world production has increased only fourfold. My hon. Friend has made an important point.

Mr. James Lamond: Does the Minister agree that free trade means free trade in both directions, and that that is an essential part of any agreement?

Mr. Channon: Yes, Sir. In any round of negotiations our aim will be to try to persuade other countries to remove any barriers that may exist against our exports.

Mr. Nicholas Winterton: Does my right hon. Friend accept that free trade will lead to more jobs only if the advice of the hon. Member for Oldham, Central and Royton (Mr. Lamond) is carried through? Britain has been a freewheeling area for most manufacturing countries, especially within the developing world, and even within the EC.

We have suffered because jobs have gone. Free trade in Britain has led to fewer rather than more jobs.

Mr. Channon: I cannot agree with my hon. Friend about that. We probably export more of our GDP than any other developed country—*[Interruption.]* It is interesting that such comments should be made today of all days when we know how confident British industry is about its export effort. My hon. Friend the Member for Macclesfield (Mr. Winterton) will know that we probably export more of our GDP than any other developed country. It is essential that we have overseas markets for our goods. That means that we must in general be in favour of free trade; that is, free but fair trade.

Sir Hector Monro: First, I appreciate the letter that I have received from my right hon. Friend. When he engages in international talks, will he be absolutely certain that they lead to a new multi-fibre arrangement that is acceptable to the British textile industry, whose future will depend on it entirely?

Mr. Channon: My hon. Friend will know that the Government have not yet come to a conclusion on the multi-fibre arrangement. I hope that we shall be able to discuss the matter in the near future.

Mr. Sheerman: Is the Minister aware that the answer that he gave to his hon. Friend the Member for Dumfries (Sir H. Monro) will create despondency in the textile industry? Whenever we hear his responses to questions on the textile industry, it seems that he is planning to open up totally free trade for the British textile industry. If he does that, he will have a war on his hands in the House.

Mr. Channon: I do not think that my answers need cause any dismay to the textile industry. It has heard and read reports of our exchanges on many occasions. It has made many representations to me, and I have engaged in many consultations. I am aware of the industry's view. I hope that the Government will soon have an opportunity to make their views clear to the House, and I am sure that we shall be able to convince it that they are right.

Mr. Dorrell: Does my right hon. Friend accept that moves towards a new round of GATT talks are extremely welcome? Does he also accept that a most important restriction on the growth of international trade is exaggerated and speculative movements in foreign exchange rates? Therefore, does he accept that he has a major departmental interest in the Government in following any avenues that may lead to a reduction in such movements?

Mr. Channon: My hon. Friend raises an extremely important point, but he will appreciate that it is primarily the responsibility of my right hon. Friend the Chancellor of the Exchequer, who has held talks about this and related matters in the OECD and in Washington.

Mr. Ashdown: Is it not true that the MFA was set up as a temporary measure behind which we could restructure our industry? Does not the Silberston report show that the damage caused to the British textile industry by at least liberalising the MFA would not be as great as is often claimed? Therefore, is there not a case, in terms of moral obligation and practical wisdom, to consider some liberalisation of the MFA?

Mr. Channon: I note what the hon. Gentleman says, and all those points will be borne in mind before decisions are taken. That is the view of the Liberal party on this issue.

Mr. Ward: When my right hon. Friend begins the new round of GATT, will he bear in mind the problems of Third world countries, which need to export to the European Community, and will he consider cautiously further attempts by the Community to erect trade barriers against products on which Third world countries depend for their existence?

Mr. Channon: I agree with my hon. Friend. In the European Community, Britain is trying desperately to retain a free trading element to give access to developing countries. Since we export to them, they must be given an opportunity to export to other countries. Otherwise, they will not be able to pay for the goods that they buy from us. It will be in our interests to do so.

Mr. Gould: Since our deficit in manufactured goods this year is already breaking all records, is it as self-evident as the Minister seems to believe that his free trade theology is best suited to our trading needs? Before he rushes headlong into a further round of tariff cutting, which can only increase our vulnerability to imports, will he ensure that we at least have a proper debate in the House and the country as to where the balance of advantage lies?

Mr. Channon: There is no question of headlong rushing, because trade talks are bound to take years. Nor are tariffs the major point. It is extraordinary that the hon. Gentleman should persist with such allegations on a day when we see that business confidence has increased, exports are increasing, the figures for manufactured exports are better than ever, there is more optimism, and export orders are at record levels.

Japan

5. **Mr. Baldry** asked the Secretary of State for Trade and Industry if he will make a statement on his recent visit to Japan.

The Secretary of State for Trade and Industry (Mr. Norman Tebbit): During my recent visit to Japan I had useful exchanges with senior Japanese Ministers, including the Prime Minister, about a range of multilateral and bilateral trade issues. I also met several leading industrialists with whom I discussed the prospects for further industrial co-operation and two-way investment.

Mr. Baldry: I thank my right hon. Friend for that reply. Penetrating the Japanese markets requires not only commercial competitiveness but cultural understanding. To which bodies can smaller businesses especially look for guidance and advice as to how they can best penetrate Japanese markets?

Mr. Tebbit: The first point of contact for a company considering exporting to Japan and which needs advice is the Export to Japan unit of the British Overseas Trade Board, which can itself help and can direct companies to other places where help can be obtained.

Mr. Hoyle: When will the Secretary of State do something about the huge deficit between our imports of Japanese goods and our exports to Japan? He claims to be tough—the hammer of the unions. Will he show his toughness by standing up for British interests, especially with the Japanese?

Mr. Tebbit: That is a nice piece of gunboat diplomacy from the hon. Gentleman, but he should understand that things are not quite the way they were in the middle of the 19th century. There is little doubt in my mind that some members of the Japanese Government, including the Prime Minister, are as aware as the hon. Gentleman of the threat that will arise to the world free trading system unless Japan's trading surplus is abated. There will be many problems in organising a sensible abatement of that surplus. I do not entirely share the hon. Gentleman's gunboat diplomacy view, especially as gunboats are in short supply.

Mr. Bowen Wells: Well known as my right hon. Friend is as one of our principal gunboats in our trade disputes and relations with Japan, could he tell me what representations he has made to the Japanese Government on their predatory and disgraceful dumping prices in relation to the building of the Bosporus bridge? What did his counterpart in Japan say that they would do about this focused assault on our legitimate trading interests?

Mr. Tebbit: When I was in Japan, I was not aware of the scale of the subsidy that was being offered by the Japanese contractors and their partners in seeking to gain that contract. With regard to the bridge contract, the British company's bid and the scale of aid that was offered by the British Government were highly competitive with the Japanese company's bid and aid in that sector. However, the same was not true of either the pricing or the scale of aid offered on the associated roadworks; in particular, our partners in foreign companies were not able to come forward with an aid package the size of that of the Japanese. Having said all that, it seems to me that the Japanese tactics of subsidy in this case were scarcely compatible with their avowed aim of reducing their trade surplus. No doubt that will be brought to their attention.

Mr. Heffer: Accepting that capitalism is a system of international competition and that the Government are dedicated to the capitalist concept, is it not true that for the British people the interests of British capitalism also have some interest? When will this capitalist Government, dedicated to the continuation of the capitalist system, do something about defending British capitalism against Japanese capitalism?

Mr. Tebbit: I think that the hon. Gentleman, uncharacteristically, may be in a state of some political confusion. I think that he is mixing up 20th century capitalism with 17th century mercantilism. I do not think that subsidies should form a large part of capitalism either in the United Kingdom or elsewhere.

Mr. Fallon: Reverting to predatory pricing by the Japanese, may I ask whether my right hon. Friend is aware that there are 900 bridge builders in my constituency who would very much welcome some firmer international rules on the extent to which Governments can subsidise companies in important overseas contracts of this sort?

Mr. Tebbit: I would welcome not only firmer rules, but perhaps a greater willingness to abide by the rules; although again I have to say that in this case it does not appear that the Japanese Government broke such rules as there are.

Mr. Park: If the Japanese people take no notice of the urgings of their Prime Minister to buy more goods from outside Japan, what steps will the Secretary of State contemplate?

Mr. Tebbit: Several steps could be taken, some of which I urged upon the Japanese Government. The Japanese Government could give a good example to the Japanese people by making major capital purchases from overseas. That is one thing that could be done. They could also help by introducing measures to internationalise the yen so that it more accurately reflected the strength of the Japanese manufacturing economy. Taking steps along those lines could ease that problem.

Mr. Hickmet: Does my right hon. Friend accept that the predatory pricing policies of Japan and the dumping of credit are an absolute disgrace, and that the consequence is that the Japanese are simply hijacking our industry? The bridge builders in the constituency of my hon. Friend the Member for Darlington (Mr. Fallon) will be eliminated as a result. Furthermore, many other British industries have had their bases destroyed by such policies. What is my right hon. Friend going to do about it?

Mr. Tebbit: I can well understand the anger felt by my hon. Friends, because clearly the British company's bid was competitive and better than that made by the Japanese company. British Government aid to that company was on the same level as Japanese aid, but unfortunately the countries associated with us were not as smart as the Japanese company's associates.

I agree that the Japanese Government, in offering cheap credit and subsidy to that extent, were foolish. It was probably unnecessary under the circumstances for the Japanese Government to go that far to get the order. The Japanese Government's action was incompatible with the programme they have announced to reduce their trade surplus. That will be brought clearly to their attention again. As I said in Japan, unless that surplus is abated, unless their markets are opened and unless the Japanese desist from some of their trading practices, protectionist forces will be impossible to resist.

Mr. John Smith: Is the Secretary of State aware that, although I have no doubt that he raised these issues with the Japanese in Tokyo, there is a great difference between Japanese professions and Japanese actions? Precisely what undertakings, if any, did the right hon. Gentleman receive from the Japanese about a change in their policies? If no undertaking was given, what action will the right hon. Gentleman take to ensure that such undertakings are given?

Mr. Nicholas Winterton: None.

Mr. Tebbit: When my hon. Friend the Member for Macclesfield (Mr. Winterton) is invited to speak from this Box I hope that he will put his case, but perhaps he will allow me to answer the question.

The undertaking that I received was that the Japanese Government would pursue with vigour the policies which Mr. Nakasone announced on 9 April—that is, opening and liberalising the Japanese market. An undertaking was

given to seek further to reduce the non-tariff barriers where we could show that effective non-tariff barriers were being imposed by the Japanese Government.

Although no guarantees were given, a great deal of discussion took place about the liberalisation of the Japanese financial markets. I believe that that liberalisation will occur, although much too slowly for my liking. I have no doubt that the Japanese are keeping some of their powder dry, like most other countries, for future rounds of trade negotiations.

Manufacturing Industry

6. **Mr. Knox** asked the Secretary of State for Trade and Industry what is the most recent figure for output in manufacturing industry; and how this compares with the figure for the same month five years ago.

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): For February 1985 the index of production for manufacturing is 102, based on 1980 being the equivalent of 100. This is 4 per cent. lower than its value in February 1980, though 10 per cent. higher than its value during the trough in the first quarter of 1981.

Mr. Knox: Does my hon. Friend not find it alarming that output has fallen by that amount in the past five years? To what extent does he think that Government economic policies have been responsible for the fall?

Mr. Lamont: My hon. Friend will know that manufacturing in the previous peak in 1979 was below that of the earlier peak in 1973. The trend is long term. I should have thought that my hon. Friend might have felt it worth while to refer to the significant CBI industrial trends survey published today. It is one of the most optimistic ever published. Manufacturing export orders are shown to be the best since 1977. The outlook for employment in manufacturing is also the best since 1977 and every sector is displaying much greater confidence. That shows that Government policies are benefiting manufacturing.

Mr. Merlyn Rees: Is the Minister aware that a particular example of the decline can be seen in south Leeds, which was the manufacturing core of that great city? The industry has been in decline there in recent years. Is it now the perceived wisdom that manufacturing industry will never come back again and that it is all over and done with?

Mr. Lamont: Of course that is not the perception. It is very much the Government's intention that the country should have a strong manufacturing base. That is borne out by the results shown in the CBI survey, which shows that manufacturing is participating fully in the recovery and that in 1984 manufacturing grew more quickly than the economy as a whole.

Mr. Kenneth Carlisle: Exports are encouraging, but if we are to build on that tentative improvement we shall have to remain competitive. Is my hon. Friend not worried about the growing signs of protectionism around the world? Does that trend not reinforce the need for a round of GATT talks very soon in order to stop the growth of protectionism, which will damage our jobs and exports?

Mr. Lamont: I am sure that my right hon. Friend the Minister for Trade will note what my hon. Friend says.

Mr. McLennan: Does any member of the Government know anything about major manufacturing industry? If not, will the Government listen to those who do, such as Mr. Harvey-Jones of ICI and Lord Weinstock?

Mr. Lamont: I will certainly listen to what the chairman of ICI says, especially about pay restraint. I noted what Mr. Harvey-Jones said the other day, and I agreed with some of his comments. I agree that one of the concerns of the manufacturing sector is the level of electricity prices. That is why we need a competitive coal industry—one of the aims for which the Government have worked very hard.

Mr. Favell: Is it not true that there are bags of opportunities in our home market as well as opportunities for exporters? If only our motor manufacturers, for instance, took the same proportion of our home market as the French, the Germans and the Italians take of theirs, we would have the answer to the question, "Where are the jobs to come from?"

Mr. Lamont: My hon. Friend is absolutely right. I am sure that he is well aware that every 1 per cent. of penetration of the domestic market is equivalent to a quarter of a million jobs. If only we could hold back the tide of imports, employment would rise.

Mr. Geoffrey Robinson: The Minister's complacency will be taken very badly by British manufacturing industry. Is he not aware that manufacturing output is still 10 per cent. below what it was when the Government came to power in June 1979? That is a bigger drop than has been suffered in any other industrial country, and the biggest drop since the war. Is he not thoroughly ashamed of that disgraceful record?

Mr. Lamont: I would take the hon. Gentleman's comments more seriously if he acknowledged that manufacturing output fell sharply between 1974 and 1979. I was referring not to what the Government thought about the future of business but to what business men themselves see as the future for employment, investment, output and exports.

Small Firms Counselling Service

7. **Mr. Silvester** asked the Secretary of State for Trade and Industry if he will make a statement on the continuing role of his Department's small firms counselling service in the light of the growth of the local enterprise agency movement.

Mr. Trippier: The work of the small firms counselling service is being reorganised to operate increasingly through and in partnership with local enterprise agencies.

Mr. Silvester: Is it my hon. Friend's intention therefore to change the objectives set for the counselling service?

Mr. Trippier: I see a continuing role for the small firms service in giving its excellent advice to existing small businesses and start-ups. I hope that, over time, the local enterprise agencies will concentrate more on start-ups, leaving the resources of the small firms service to be concentrated in the area of special skills and also on the up-market counselling that it does so well.

Mr. Pavitt: Will the Minister give further consideration to the work in this field of the Co-operative

Development Agency, which the Government supported last year? The small workers' and service co-operatives are now growing rapidly, and they need counselling in both marketing and accounting if they are to survive.

Mr. Trippier: I know of the hon. Gentleman's interest in co-operatives. As I have said before, we are very anxious to support them. We have put the taxpayer's money where our mouth is by supporting the Co-operative Development Agency. We are funding it for the next six years to the tune of £200,000. More than 1,000 co-operatives have now been established in the country, but that figure must be compared with a total of 1·4 million small firms and 2·5 million self-employed. The £200,000 that we give the Co-operative Development Agency every year should also be contrasted with the £75,000 that we give to Business in the Community, which relates to the local enterprise agency movement. Business in the Community helps the local enterprise agency movement in many ways. We are incredibly generous to the Co-operative Development Agency.

Mr. Bellingham: Is my hon. Friend aware of the excellent work of the small firms service in west Norfolk, and in particular the work of Dr. John Knights? If my hon. Friend is to integrate the work of the small firms service into the local enterprise agencies, is there a continuing role for it as a separate entity?

Mr. Trippier: My hon. Friend used the word integrate, but I prefer to use the word complementary in describing the way that the two services will operate. I envisage a continuing role for the small firms service and I do not envisage a time when we can do without it. It has doubled over the past two years. The expertise in the counselling teams, which are composed, as my hon. Friend knows, of industrialists and not civil servants, would be difficult to find in local enterprise agencies. Therefore, the roles are complementary.

Mr. Williams: Some of these agencies are undoubtedly doing an excellent job, but does the Minister recognise that many of them are virtually talking shops? Is the Department carrying out a cost-benefit analysis of their work, and is any consideration being given to the establishment of some objective standard of performance?

Mr. Trippier: I am surprised that the right hon. Gentleman should frame his question in that way. I am sure he will realise on reflection that the local enterprise agencies would be offended at being called talking shops. The only shops that one could connect with the local enterprise agencies movement stems from the fact that we are anxious that, within the communities, they should be one-stop shops. A survey has been conducted by Business in the Community, which shows that the movement is extremely successful. Another recent survey conducted in Scotland shows that where there are local enterprise agencies there can be a reduction in the level of unemployment by about 2 per cent.

Steel Scrap

8. **Mr. Canavan** asked the Secretary of State for Trade and Industry how many representations he has received about the export of steel scrap.

Mr. Norman Lamont: Since 1 January Department of Trade and Industry Ministers have received 54 letters and telexes about the export of steel scrap. I have also met delegations that have referred to this subject.

Mr. Canavan: Is the Minister aware that in the first two months of this year scrap prices rose by over 40 per cent., largely because subsidised industrialists in other countries such as Spain are buying imported scrap at inflated prices and thereby pushing up the international market price? In view of the resulting threat to the British foundry industry, will the Government intervene now to deal with this, instead of tolerating a threat to foundry workers' jobs brought about by the Government's doctrinaire worship of free market forces?

Mr. Lamont: I agree with the hon. Member that the Spanish subsidy is an important aspect of the problem. This is being raised through the EEC and is being studied, and we are seeing what can be done about it. However, I do not agree with the hon. Gentleman that the answer to the problem is to impose controls on the export of scrap. That would not be effective if it were carried out in one country alone. Other countries in the EEC are strongly opposed to scrap control. Secondly, we have to take account of the needs and interests of the steel scrap industry as well. It is an important industry here, employing 100,000 people and making exports of £300 million a year. We cannot just shift the burden of the problem from one sector to another.

Mr. Michael Marshall: Does my hon. Friend accept that part of the problem for the steel scrap industry is continuity, that many of the contracts entered into are long-term contracts, and that any suggestion of controls and turning the tap on and off would destroy confidence in the industry, the importance of which to the economy my hon. Friend has just outlined?

Mr. Lamont: I agree with my hon. Friend. A point that I should perhaps have added to what the hon. Member for Falkirk, West (Mr. Canavan) said when he quoted the figures on prices, comparing the latest month's with January, is that the recent trend has been for quite a reduction in prices. In April, prices of the main grades were £65 a tonne compared with £85 a tonne in the previous month. We have to see what happens in the market, but those price increases are from a very low level and in real terms are not all that different from those obtaining in 1979.

Mr. Roy Hughes: As I am one of the 54 who have made representations to the Minister on behalf of a private enterprise firm in my constituency, will he appreciate that it is not sufficient to turn a blind eye to this situation, otherwise more firms will go the the wall, with consequent redundancies?

Mr. Lamont: Of course we must not turn a blind eye to the situation, and the 54 representations ensure that we cannot do that. The hon. Gentleman must also look at the interests of the scrap industry. Just because one industry is facing a problem, we cannot shift the burden of that on to another industry. There may be a problem of price. There is not a problem of an overall shortage of scrap, and it is to a shortage that the provisions for controls within the ECSC treaty relate. There is not a shortage of scrap at present.

Mr. Hardy: Does the Minister accept that as far as the special steels industry is concerned nationally, and certainly the special steels industry in my constituency, the problem continues to be grave? Would it not be wise for the British Government to recognise that the Spanish Government are serving the interests of Spain, and that it is about time that this Government began to serve the interests of Britain?

Mr. Lamont: I have acknowledged that the Spanish problem is serious. That has to be examined in the context of Spain's accession to the EEC, and it is being examined. This matter was raised at the last Council of Steel Industry Ministers. We cannot impose controls unilaterally. The hon. Gentleman must recognise that there are other countries in Europe which are firmly opposed to the imposition of scrap controls. What would be the point of scrap controls imposed on one country if it exports to another country, which then exports out of the EEC? Such a gesture would make the hon. Gentleman feel better, but it would achieve nothing.

"Support for Business"

9. **Mr. Thurnham** asked the Secretary of State for Trade and Industry what responses he has received following the publication of his advisory booklet, "Support for Business".

Mr. Trippier: Over 200 telephone calls a week about DTI assistance are being received at the new London central inquiry point. Regional inquiry points are also receiving many calls.

Mr. Thurnham: In congratulating my hon. Friend on his initiative, may I ask whether he expects the supplementary leaflets to be available when he makes his welcome visit to Bolton during Local Enterprise Week?

Mr. Trippier: We have already produced the leaflet on support for innovation. We hope that shortly we will produce the leaflet on support for investment. I shall certainly try to get it out in time for my visit to Bolton during Local Enterprise Week.

Mr. Wainwright: When will the Minister get the Prime Minister to understand that no amount of small, detailed schemes for the alleged support of industry can possibly compensate for the appalling burden of interest rates that are persistently higher than those of all our competitors, except Italy, the overbearing domination in the market of cash-rich, huge companies, which support the Government financially or otherwise, and, above all, the lack of purchasing power among the unemployed and the other millions of poor families in the country?

Mr. Trippier: I think that the hon. Gentleman may have framed his question yesterday before having read this morning's newspapers. The *Financial Times* of today states:

"Small companies' confidence about general trading prospects improved markedly in the first quarter of this year, says a survey due out today. There is a strong upturn in the number of groups expecting to employ more staff, and a revival in investment plans, the study says."

Mr. John Mark Taylor: Would my hon. Friend care to comment on whether there is another thing that businesses need, not least small businesses, which is to be left alone, especially by local government?

Mr. Trippier: Wherever I go on my regional visits, I seem to be given conflicting advice from any audience that I address. On the one hand, there are people who say to me, "Let's have some more money"—or that is what they really mean when one takes off the fancy wrapping. That is the bottom line. That is, of course, taxpayers' money. In seemingly direct contrast to that, I get messages saying, "For goodness' sake, get out of our way, get off our backs and allow us to run our businesses in the way that only we can do." That is why we conducted the burden scrutiny exercise and that is why we published "Burdens on Business", and we hope to carry forward those initiatives to cut out the red tape and to free small business men from being prisoners of their in-trays.

Departmental Employee (Background)

10. **Mr. Winnick** asked the Secretary of State for Trade and Industry if he will make a statement on the latest position regarding the civil servant in his Department whose Nazi background has been looked into.

Mr. Tebbit: The inquiries undertaken by the Department have revealed no grounds for disciplinary action against this officer.

Mr. Winnick: Is it not strange that someone with such a known notorious background should have been taken on by the Department in the first place? Is the right hon. Gentleman aware that while someone who, for example, is a supporter of CND might be described by those who do the vetting or interviewing as a subversive, the person who is the subject of my question is a civil servant and, as the right hon. Gentleman has just said, will continue in that job?

Mr. Tebbit: The hon. Gentleman is making a serious mistake in the line of his questioning. He should understand that two problems may arise in relation to the political views and activities of a civil servant or a potential civil servant. One is whether he or she may or may not be a subversive—that is, a potential traitor to this country.

Mr. Winnick: That is only one among many.

Mr. Tebbit: Exactly, that is one consideration that may apply. A second and broader consideration is that, whatever political views an official may hold, he is, within the limits of certain ranks of the Civil Service, debarred from active participation in national politics or from intervening publicly in matters of national, partisan controversy. This gentleman fell into neither of those categories.

Mr. Winnick: He is all right, then?

Mr. John Smith: Is the Secretary of State aware that the Minister for Trade told me in a letter that the Government confirmed

"that the Civil Servant in question attended meetings at a London hotel earlier this year regarding the formation of a new Right-wing organisation."

However, the view is taken by the Government that since the meetings to form this new Right-wing organisation were held in private, no rules were broken. Is it seriously the Government's position that, provided political activity does not take place in public, it is permitted under the rules?

Mr. Tebbit: There is nothing to prevent an official holding views or going to a meeting to listen to those who

hold similar views or discussing his views in private. If we went to the extent of saying that the mere expression of an unpopular political view in private should be cause for dismissal from the Civil Service, we should be going a long way down a road which I think the right hon. and learned Gentleman and most of us would regret. I find the views of extremist Socialists, whether they are National Socialists or any other kind, extremely displeasing——

Mr. Winnick: You despicable man.

Mr. Tebbit: —but that should not give one the right to dismiss a person for holding such views.

Mr. Heffer: On a point of order, Mr. Speaker.

Mr. Speaker: I shall take points of order after Question Time.

Japan

12. **Mr. Richard Page** asked the Secretary of State for Trade and Industry what are the prospects for trade with Japan.

Mr. Tebbit: United Kingdom exports to Japan in 1984 rose by 16 per cent. on the previous year, to almost £1 billion. I hope to see this favourable trend continue, but much will depend on the effectiveness of the Japanese Government's 9 April import promotion package and on the continued efforts of exporters.

Mr. Page: I thank my right hon. Friend for that reply. Despite the restrictive practices of the Japanese, how do we compare with other would-be exporters, such as Germany, to Japan? Are all countries being treated equally unfairly?

Mr. Tebbit: All countries are finding it equally difficult to export to Japan. We do not have figures on a strictly comparable basis from our own sources, but according to Japanese figures, which differ slightly from ours in some respects, we have been doing rather better than the Germans in increasing our exports—our exports and imports are of the same order as those of the Germans — and we have been doing better than the French, whose exports to Japan fell last year.

Mr. Roger King: Does my right hon. Friend agree that one can lead a horse to water, but one cannot make it drink? In other words, unless our goods are what the Japanese people, as opposed to the Japanese Government, want, they are not likely to buy them. Does he further agree that we should equally ensure that our goods are better than Japanese goods?

Mr. Tebbit: Yes, indeed. The essence of a successful economic system must be competitiveness. In some areas our goods are selling extremely well in Japan. For example, Wedgwood china is selling so well there that Japanese manufacturers come as near as they dare to counterfeiting it in their imitations of the styling and the manner of marketing. So that is a clear case where competitiveness can pay.

Mr. Skinner: Is the Secretary of State aware that these talks with the Japanese have been going on for many years, when a previous Tory Government were in office and when a Labour Government were in office and that the Japanese managed to string those Governments along by saying that they were going to change things a little bit later, but not just now, in favour of Britain? Will the right hon. Gentleman also bear in mind that one of the factors that enables British people to buy Japanese goods is that we are surrounded by hypocrisy? Is he aware, for instance, that at the time when the leader of the Liberal party was saying "Buy British" he was driving a Japanese car and that he stopped driving it only when he found that the British School of Motoring was to give £188,000 to the Liberal party, when he started driving a British car?

Mr. Tebbit: The hon. Gentleman is, as ever, amusing and, as ever, of course, he is deeply conscious of being surrounded by hypocrisy.

Small Firms (Marketing Advice)

13. **Mr. Andy Stewart** asked the Secretary of State for Trade and Industry whether he is satisfied with the level of advice on marketing available from his Department to small firms.

Mr. Trippier: No, Sir.

Mr. Stewart: I thank my hon. Friend for his reply. Will he say what he intends to do to assist more firms with their marketing problems?

Mr. Trippier: I am very conscious of the importance of marketing as one of the key elements in running a successful business of any kind. We have a golden opportunity to run a pilot marketing scheme in certain areas as a result of the non-quota ERDF money that is being made available in the steel, shipbuilding and textile areas. We are obviously very anxious to monitor how that marketing scheme is working within the business improvement service package to establish what degree of success has been achieved.

Mr. Meadowcroft: Is the Minister aware that many voluntary bodies have established small businesses, which are helping to create employment, and that they could do a lot more if they were assisted with marketing within the voluntary sector? Is he aware that one of the biggest frustrations is the lack of liaison between the MSC, which often provides initial funding, and his Department, which seems not to be aware of the developments within the voluntary sector and the general problem that responsibility for assistance to the voluntary sector is split among so many Departments? Will he take responsibility for co-ordinating the activities of voluntary bodies to create employment and marketing?

Mr. Trippier: I should certainly like to look in greater depth at the problem which the hon. Gentleman has outlined. An initial suggestion, which might prove helpful, is that those voluntary organisations should get in touch with the small firms service, because what I omitted to say earlier is that there is a degree of marketing skills within these small firms counselling teams.

Sir Dudley Smith: Is my hon. Friend aware that many small firms within my constituency and elsewhere would be much more successful in their marketing if they could get better help and support from the banks? Will he look at that question?

Mr. Trippier: There is no doubt in my mind that over recent years the main clearing banks have proved to be more helpful and flexible than they had been in the past. Certainly my mail bag is full of complaints about the

banking system and, perhaps, a degree of inflexibility on the part of the banks. Although I am not standing at this Dispatch Box to defend the clearing bank system in any way, I must point out that it would have been impossible, for example, for us to get the loan guarantee scheme off the ground without the support of the banks, and I very much welcome that support.

Overseas Projects Board

14. **Mr. Dalyell** asked the Secretary of State for Trade and Industry what response he is making to the representations made by Mr. Roy Withers, chairman of the Overseas Projects Board, about the nature of Government support for the board; and if he will make a statement on the level of Government support for the board.

Mr. Channon: I shall be discussing its views at a future meeting.

Mr. Dalyell: What consistent support is this country going to give, in terms, for the capital goods industries to make sure that they are no worse than terms offered by our industrial competitors?

Mr. Channon: As the hon. Member will know, we give a great deal of help. There is the projects and export policy division of this Department, which is engaged in trying to help project business; we have the fixed rate export finance scheme by ECGD and we also have the aid and trade provision, which has gone up from £36 million to £66 million a year. So quite a lot of support is given and, in fact, we have won a great many projects.

Steel Industry

15. **Mr. Roy Hughes** asked the Secretary of State for Trade and Industry when he will be meeting the chairman of the British Steel Corporation to discuss the corporate plan for the steel industry.

Mr. Norman Lamont: BSC has only recently been in a position to resume its normal corporate planning process, and at present my right hon. Friend has no specific plans for an early meeting with the chairman to discuss the corporate plan.

Mr. Hughes: Does the Minister appreciate that there is concern at the Llanwern steelworks about the failure to give the go-ahead for the concast project? Therefore, will he press the chairman over this issue, bearing in mind that the works has beaten all efficiency and production records in recent years — a trend, presumably, which the Government are trying to encourage?

Mr. Lamont: The hon. Gentleman has raised this matter several times at Question Time and at Welsh Questions. As he knows, it is a matter for the corporation to put to the Government, and the corporation has not done that as yet.

Mr. Hickmet: Will my hon. Friend confirm that the Government's policies in relation to the BSC have been highly successful and have led to increased profitability, increased productivity, and a position in Europe which enables it to compete effectively with almost every other European steel producer?

Mr. Lamont: I hope that the Government's policies have contributed to the success of the BSC. The progress on productivity has been dramatic. We have equalled and surpassed the levels in France and Germany and done our restructuring. The BSC project is now poised to reach viability. It is a tribute not only to the Government but to the management and all those who work in the corporation.

Mr. Heffer: On a point of order, Mr. Speaker.

Mr. Speaker: I shall first take Question No. 46.

Mr. Heffer: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I said that I would take the hon. Gentleman's point of order after Question Time.

Mr. Heffer: I am entitled to raise a point of order, Mr. Speaker.

Mr. Speaker: The hon. Gentleman is entitled to raise it, but I am entitled to say when I will take it, which is after Question Time.

Mr. Heffer *rose*——

Mr. Speaker: Order. I ask the hon. Gentleman to bear with me. I have said that I will take his point of order after Question Time, and I certainly will. We have one more question in Question Time to the Secretary of State for Trade and Industry, and that is No. 46.

British Aerospace

The following question stood upon the Order Paper:

3.31 pm

Mr. Timothy Wood (Stevenage): To ask the Secretary of State for Trade and Industry if he will make a statement on his Department's proposal to sell its residual shareholding in British Aerospace.

3.31 pm

The Minister for Information Technology (Mr. Geoffrey Pattie): The Government's residual shareholding of 96,852,746 ordinary shares, together with 50,000,000 new ordinary shares issued by the company, are being offered for sale at a price of 375p per share, of which 200p will be payable on application and 175p by 10 September 1985. All the offered shares have been underwritten. The offer will close on 10 May 1985.

Applications for all the offered shares have been received from priority applicants, who have been guaranteed allocation of 55 per cent. of the shares they have applied for. The remaining 45 per cent. are available for applications by the public subject to the preferential entitlements of existing shareholders and eligible employees of the company.

Copies of the prospectus for the offer have been placed in the Library.

Mr. Wood: I am delighted that the sale of the British Aerospace shares is going so satisfactorily. I hope that many workers within the industry will take up shares. Will my hon. Friend say whether he thinks, as I do, that this sale of shares is widely welcomed within the aerospace industry as a whole?

Mr. Pattie: I am grateful to my hon. Friend for his comments. I am sure that the sale of the Government shareholding has been welcomed by the company, because British Aerospace has demonstrated its ability to operate profitably in the private sector. I am sure that the aerospace industry as a whole—and, indeed, the whole country—will benefit from the return of the company to full private ownership.

Mr. Bruce Millan (Glasgow, Govan): Is the Minister aware that today's statement is a further breach of the undertaking that the Government gave at the time of the sale that they would retain at least 25 per cent. of the shareholding? Virtually the whole of the profits of the company come from military orders, which are largely dependent upon public funding. There is a very considerable national interest involved and it is being abandoned by the sale. Far from that being welcomed, there will be widespread anxiety in the country about this further handing over of a national asset to private interests.

Mr. Pattie: I refute totally what the right hon. Gentleman has said. It is not a question of abandoning a national interest. He will be aware of what was said in 1981 before the first stage of privatisation took place—that no further move would be made for the foreseeable future. It was indicated then that it would be in a year or two, and that the special share—details of which are set out in the prospectus, which I invite the right hon. Gentleman to read—would totally safeguard the national position, the special share being vested, as the right hon. Gentleman well knows, in my right hon. Friend the Secretary of State for Trade and Industry.

Mr. Paddy Ashdown (Yeovil): Will the Minister say why he believes that the sale of the shares will make British Aerospace more efficient? Is it not the case that British Aerospace has difficulty over dealing with its European partners, both in collaboration and in competition, because they have more Government support than is provided to our industries? Does not the sale of these shares have more to do with raising Government money than with making one of our primary defence industries more efficient?

Mr. Pattie: No, it certainly does not have anything to do with that issue. If the hon. Gentleman cares to consult the company, which I am sure he will, he will discover quite quickly that it is extremely pleased not only that there should be a rights issue but that the shares should be made freely available on the market, thus indicating to the world at large that it is not dependent for its success upon a major Government shareholding.

Mr. Henry Bellingham (Norfolk, North-West): Is my hon. Friend aware that many small shareholders who before the British Telecom sale had probably never heard of shares will welcome today's announcement? Can he say what special measures he will take to ensure that the small shareholder is favoured in the allocation?

Mr. Pattie: Our attitude is favourable towards the interests of the small shareholder. However, my hon. Friend will appreciate that until the offer has been subscribed we cannot make any statement about the basis of allocation.

Mr. Doug Hoyle (Warrington, North): Will the Minister confirm that this company cannot be profitable without Government support? It is entirely dependent upon Government money. Is it not nonsense to sell off in this manner a high technology company whose future will be at risk if it has to depend upon the private market? Should it not therefore be retained in the public sector?

Mr. Pattie: No, it should not. The hon. Gentleman is doing a great disservice to British Aerospace by describing it as being dependent upon Government support. It is not dependent upon Government support. There is a world of difference between the Government contracts and the export business of British Aerospace, which amounts to 63 per cent. The hon. Gentleman conveniently ignores that non-governmental business.

Mr. Tam Dalyell (Linlithgow): To follow up the question of my right hon. Friend the Member for Glasgow, Govan (Mr. Millan), does the special share provide any kind of permanent guarantee? Are the promises to be honoured?

Mr. Pattie: I refer the hon. Gentleman to the prospectus, where the details are set out exactly. I shall not detain the House by reading out the summary of rights and restrictions attaching to the special share. They are to be found in paragraph 7 of the statutory interests section. I can assure the hon. Gentleman and the House that it safeguards the national interest.

Mr. Robert Maclennan (Caithness and Sutherland): What proportion of the remaining tranche to be sold has been reserved for employees?

Mr. Pattie: We have reserved 5 million shares for employees.

Mr. John Smith (Monklands, East): Is the Minister aware that the main reason why the Government are proceeding with the sale is the need by the Treasury to raise more money and that this has been placed far ahead of the efficiency or profitability of the industry?

Secondly, is it not clear that the Government are breaking a pledge which they gave to the House? When the legislation was being discussed the Government told the House of Commons that they would retain 25 per cent. of the shareholding. There was no mention at that time of a golden share. It was only after the Government decided to renege on their commitment to the 25 per cent. that they pushed the golden share into place.

Thirdly, will the Minister tell us whether Kleinwort, Benson, the bankers handling the sale, will on this occasion allow its employees to buy shares, as the Government have confirmed happened in the case of British Telecom, which, surprisingly, appears to have been approved of by the Government?

Mr. Pattie: The purpose of the undertaking that was originally given—that 25 per cent. of the shares would be retained—was to block any change in the articles of association dealing with foreign ownership. As the special share will be equally effective in achieving that purpose, there is no reason to retain the 25 per cent. shareholding.

As for the merchant bank advisers, may I remind the hon. Gentleman that Kleinwort, Benson is advising British Aerospace; it is not advising Her Majesty's Government. The Government are being advised by Lazard Brothers which has intimated to us that the staff who are directly involved in this exercise will not be allowed to participate in the offer.

Questions to Ministers

3.40 pm

Mr. Eric S. Heffer (Liverpool, Walton): On a point of order, Mr. Speaker. I raise this point, on reflection, more in sorrow than in anger. My first reaction was one of anger, but I think that the Secretary of State for Trade and Industry, who equated all Socialists with National Socialists, must have been ignorant and did not understand the nature of the struggle against Nazism.

Will the Secretary of State apologise to hon. Members and to the country for equating National Socialists with democratic Socialists, who fought, arms in hand, against the Nazis and laid down their lives? During the second world war, the deputy Prime Minister of this country was a member of the Labour party and a democratic Socialist. Thousands of my colleagues, who, like me, joined the forces at the age of 19, laid down their lives. They were democratic Socialists, and we find it offensive for any individual—especially the Secretary of State, who has suffered at the hands of certain people—to make that sort of allegation against democratic Socialists who died in the fight against Fascism.

I ask for an apology from the Secretary of State. I hope that he will retract his statement. I am sure that he will recognise, on reflection, that he made a grave error.

The Secretary of State for Trade and Industry (Mr. Norman Tebbit): Further to that point of order, Mr. Speaker. I am happy to help the hon. Member for Liverpool, Walton (Mr. Heffer). He would have a good point of order if I had said what he, in his excitement, believed that I had said.

I referred to the views of the gentleman—one of my officials—who was described by the hon. Member for Walsall, North (Mr. Winnick) as having a Nazi background. As the House will know, "Nazi" is a shorthand term for the National Socialist German Workers party and I expressed my distaste for extremist Socialist views—I should be happy to make that "anti-democratic extremist Socialist views"—of any kind, whether they are National Socialist or other versions of Socialism.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Further to that point of order, Mr. Speaker. Perhaps you can help me. On question No. 10, which you may recall was about a particularly loathsome individual, Mr. Denis Pirie, it was said that his views were silly. They were not silly——

Mr. Speaker: Order. I hope that the hon. Gentleman is not trying to perpetrate something of which we are not in favour, which is to put a supplementary question that he was not called to ask during Question Time.

Mr. Beaumont-Dark: With your indulgence, Mr. Speaker, may I finish my question, which I believe is important? You must have read Mr. Pirie's views. They were not silly; they were evil. Do you think it right that on the great point of principle about whether the views of a man working for a Government Department are silly or evil only one supplementary question should be allowed? How do you judge what is an important question?

Mr. Speaker: As the House well knows, I make a judgment in these matters and I have to take into account

[Mr. Speaker]

other questions on the Order Paper and the broad, important issues that they involve. I made that judgment today.

Mr. David Winnick (Walsall, North): On a point of order Mr. Speaker.

Mr. Speaker: Order. The hon. Gentleman asked his question earlier, and I hope that we are not about to pursue the matter.

Mr. Winnick: Yesterday, Mr. Speaker, you made a plea for moderation of language. In the light of that, would it not be helpful if the Secretary of State for Trade and Industry did not come here with his poisonous tongue?

Mr. Speaker: I think that that is an unworthy accusation, as the Secretary of State has made an apology.

Mr. Bowen Wells (Hertford and Stortford): On an entirely different point of order, Mr. Speaker. You gave my hon. Friend the Member for Stevenage (Mr. Wood) the privilege of asking question No. 46 after the official end of Question Time. I am deeply envious of that privilege and I wonder whether you can advise me as to how I may promote my questions in that way.

Mr. Speaker: I did not grant it. It is up to Ministers to say whether they wish to answer a question at the end, but it is a well-established practice.

Mr. Stuart Bell (Middlesbrough): I am anxious not to prolong the proceedings, but I believe that in the response of the Secretary of State for Trade and Industry to the point of order raised by my hon. Friend the Member for Liverpool, Walton (Mr. Heffer) no apology was actually made. Moreover, the right hon. Gentleman continued to relate National Socialism to democratic Socialism when National Socialists have nothing to do with Socialism.

Mr. Speaker: I heard clearly what the Secretary of State said, and at this particular time, 40 years on from a war in which the hon. Member for Liverpool, Walton (Mr. Heffer) and many other Members, including myself, were involved, I think that we should leave the matter there.

Commercial Rate Limitation (Scotland)

3.45 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I beg to move,

That leave be given to bring in a Bill to empower the Secretary of State for Scotland to set a ceiling on increases in rateable value imposed by assessors on commercial premises in the course of revaluations in Scotland; to make emergency powers available in the short term to provide assistance to those commercial ratepayers whose commercial viability is threatened by rate cost increases of more than 25 per cent. as a direct result of revaluation; and for connected purposes.

The Bill is necessary for a number of good and cogent reasons. Equally important, however, is the need for the Government to act or at least to make their position clear immediately. In this context, that means that decisions must be taken and announced within the next two weeks. In my view, if an announcement is not made before the Conservative party conference in Perth, it will be too late. A financial formula must be found to give some hope to the thousands of commercial ratepayers, both large and small, who face rate increases for 1985 of the same magnitude as their net profits for 1984.

This month, businesses will face the first instalment of the 1985-86 rates. Although some increase in the commercial rate burden has been anticipated in their budgets, it is unreasonable to expect businesses to have anticipated the extent of the increases. Many are now unable to draw up realistic budgets which will balance for 1985-86 and are being told by their financial advisers that they are no longer viable as a direct result of the rate increases. If nothing is done between now and mid-May, business men will have to choose between substantial staff lay-offs, at best, or total closure, at worst. The Bill is thus no academic contribution to the current debate about the need for rate reform. It seeks to throw an emergency lifeline to business men on the brink of going under for good.

It is now widely agreed that the combination of the reductions in rate support grant suffered by local authorities in recent years and the recent revaluation have produced an unexpectedly heavy burden on ratepayers in general. The Government recognised that in relation to the domestic sector by bringing forward a welcome increase in domestic rate relief to the extent of £38·5 million. When that relief was given, Ministers were still making soothing, platitudinous noises about the increased burden on commercial ratepayers, basing their argument on the average figures available at that time. We were told that on average commercial ratepayers in Scotland would suffer increases of 1 per cent., 2 per cent. or perhaps 3 per cent. We were also told that there would be winners as well as losers—that applies to Russian roulette, too. The Government also said that individuals who believed that they had been assessed unfairly could resort to the appeals procedure, but I submit that Ministers can no longer hide behind average increases which disguise wildly fluctuating individual increases.

The detailed information in the draft valuation rolls is not yet generally available because they will not all be published until the end of May or early June. However, there are specific examples of individual increases, sometimes concentrated in discreet localities. They have exploded the myth that there is no problem; there is a very real and urgent problem, as can be shown by referring to only a few examples.

I begin in the northernmost part of the United Kingdom, and quote, courtesy of the Shetland chamber of commerce, a camera shop which in 1984 paid rates of £500; in 1985 it is expected to pay £2,712. The only way to meet that increase is by selling extra cameras and film, but there is no way in which that can be done. It is quite unrealistic for such increases to be borne by shops.

I have two specific problem areas in my constituency. One is the market square in Kelso and the other in patches of the new developments in Hawick, where rate bills have increased by 100 to 150 per cent. Those are cost increases, not changes in rateable value.

I am told that the position is even worse in Perth, and worse still in Edinburgh with sevenfold increases in rateable value producing increases of 10 or 12 times in the amount of cash having to be paid.

This morning I was interested to receive some information from the director of finance, Mr. Kenneth Patterson, who said in a letter to his regional councillors that the average increase in rates payable had been split according to the following categories and in the following ways: the domestic increase across the Strathclyde region is, on average, 21·6 per cent.; industrial subjects have been decreased by 3·8 per cent.; shops have increased by 38·7 per cent., offices by 25·6 per cent., hotels by 22·7 per cent., and other commercial subjects, which include wholesale warehouses, bonded stores and retail warehouses, have been decreased by 16·9 per cent. The Strathclyde finance department reckons that the rates to be collected due to the expenditure increase in its budget and other matters are 11·4 per cent., so anything over that figure in the categories mentioned will be a direct result of revaluation. That explodes the myth that the commercial sector is suffering an average increase in the low, single-digit range.

This does not affect only small business. Information has been given to me by a major shoe retailer which has 138 outlets throughout Scotland, shops with household names. In its 1985-86 budget it assumed a 10 per cent. increase in rates, which made a figure of £728,000 for rates payable. The rate demand that it has received indicates an average 54 per cent. increase in rates, giving a figure of £1,028,000 in rates payable. Increases of that order will mean either closing 30 of the smaller branches, making about 120 employees redundant, or raising the prices in Scotland, which would mean a differential price structure. The same shoes would cost 3 per cent. more in Scotland than in England.

I pay tribute to the work being done by the Scottish branch of the National Federation of Self-Employed, which is doing its best to assist individual businesses that have been affected by the increases. I turned to that organisation in desperation when trying to seek redress for some of my constituents in Kelso and Hawick, and it was through its instigation that I conceived the scheme for selective rate relief which is enshrined in the Bill.

The Government claim that they have no legal machinery available to provide selective relief in the commercial sector. I acknowledge that, and this Bill seeks to provide the bones for that machinery. I do not make any extravagant claims about it — adjustment may be necessary in the suggested relief threshold of 25 per cent. There may be difficulty in defining commercial subjects. There may be problems also in designing a detailed test for need.

I am prepared to listen to the Government's arguments when we come to consider the Bill's detailed provisions. However, I am convinced that there is a need for urgent legislation. Given the political will, I am sure that a measure of selective rate relief in the commercial sector could be made available forthwith.

There is no prospect of salvation by means of the appeals procedure and it is not good enough for Ministers to use that as an excuse for legislative inactivity. The appeals procedure, like the original assessments, pays no regard to enterprises' ability to pay. It will be cruelly to raise false hopes to recommend appeals as a remedy for the ills that some businesses are suffering. The appeals procedure is hopelessly overburdened and it will take years to sort it out. Moreover, commercial subjects will have to wait until all the domestic appeals have been dealt with.

The Government have no alternative but to produce the necessary primary legislation to find the £4 million or £5 million needed to mount the rescue package. My right hon. and hon. Friends and I would give any such scheme our enthusiastic support. If the Government bring forward the necessary legislation, they will still be able to rescue hundreds of small businesses from extinction. If they do not, the Secretary of State might just as well take a bulldozer to many of the high streets of small and large towns in Scotland, and he will deserve richly the political retribution that will be visited upon him. If he does nothing, he will deserve everything coming to him.

Question put and agreed to.

Bill ordered to be brought in by Mr. Archy Kirkwood, Mr. Malcolm Bruce, Mr. Roy Jenkins, Mr. Russell Johnston, Mr. Charles Kennedy, Mr. Robert Maclennan, Mr. David Steel and Mr. James Wallace.

Commercial Rate Limitation (Scotland)

Mr. Archy Kirkwood accordingly presented a Bill to empower the Secretary of State for Scotland to set a ceiling on increases in rateable value imposed by assessors on commercial premises in the course of revaluations in Scotland; to make emergency powers available in the short term to provide assistance to those commercial ratepayers whose commercial viability is threatened by rate cost increases of more than 25 per cent. as a direct result of revaluation; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 10 May and to be printed. [Bill 138.]

Public Accounts

Motion made, and Question proposed,

That this House takes note of the Twenty-Fifth Report from the Committee of Public Accounts in the last Session of Parliament on Financial Assistance to De Lorean Motor Cars Limited (House of Commons Paper No. 127 of Session 1983-84) and of the Northern Ireland Department of Finance and Personnel Memoranda on that Report (Cmnd. 9374 and House of Commons Paper No. 199 of Session 1984-85).—*[Mr. Major.]*

3.57 pm

Mr. Robert Sheldon (Ashton-under-Lyne): First, I thank the Government for finding time for a debate on the affair that led to the De Lorean expansion in Northern Ireland and its subsequent demise. I am grateful to the Financial Secretary to the Treasury for being in his place. A number of the arguments which I and others will advance will be directed to the Treasury and the lessons that it can learn from the experience of the De Lorean enterprise.

This is an especially important debate, but we shall have our normal annual debate on the PAC reports in due course. That debate will embrace all the matters with which the PAC has dealt over the year, but I hope that it will encompass fewer reports than have been before the House in the past. In the meantime, the report before us is an exceptionally important one.

I must thank my colleagues for their efforts over a long and difficult inquiry. They pursued the issue with astonishing assiduity over a long period. Every weekend seemed to be occupied in reading voluminous sheafs of paper. The questioning of my colleagues added enormously to the understanding that we were able to attain. I thank also the Comptroller and Auditor-General of Northern Ireland and his Department. It is not normal to have major issues that involve the CAG of Northern Ireland and his Department, but in this instance we were extraordinarily well served. My colleagues and I are grateful for the way in which the CAG of Northern Ireland and his Department conducted their affairs and produced the resumés, briefs and information to us.

Finally, I thank the Clerk of the Committee and the witnesses who gave evidence. Also, rather exceptionally, I wish to thank Messrs Fallon and Srodes for their book. It is rare for the Public Accounts Committee to consider a matter that has already been dealt with in a book published for general sale, especially in a paperback edition. We believed it to be so valuable that we produced a copy for each member of the Committee so that we could compare the historical narrative with the detailed points that we were able to adduce.

The report is not the final assessment of the De Lorean affair, and we knew from the beginning that it could not be. We knew that we could not uncover several matters. We could have come to the view that we should wait until further information came to light, but we did not. We decided that as there were so many important lessons to be learnt, and as we might have to wait several years before some matters came to light, the report could not wait that long. Much more important than attributing blame is the fact that there are lessons to be learnt, not only in the Northern Ireland Department, but in the entire Government machinery. That must always be our first priority.

The importance of that is shown by our use of language in demonstrating the seriousness of the matter. The PAC is extremely careful about its use of language—it does not go for hyperbole, but for understatement—and we compared the language that we used on this occasion with that which we have used previously. We called the affair

"one of the gravest cases of the misuse of public resources to come before us for many years."

We called it

"a shocking misappropriation of public and private money."

We said:

"Mr. De Lorean's automobile companies received about £77 million of United Kingdom taxpayers' money and lost most of it within four years."

The Committee concluded:

"There was misplaced optimism by Government and its advisers when the original investment decision was taken and when additional investments were made, and there was ineffective supervision of the project as it proceeded."

Our final comment in this part of the report was that hardly any of those who dealt with Mr. De Lorean

"on behalf of the British taxpayer at a high level can escape substantial blame or criticism for their failure to prevent a major waste of public money."

We started by considering the details provided by the Comptroller and Auditor-General for Northern Ireland, and we identified the following issues for examination and exploration: first, the adequacy of the Department of Commerce's assessment of the potential viability of the project; secondly, the rather complicated structure of the De Lorean Motor Company, which was the American offshoot, and De Lorean Motor Cars Ltd., which was the Northern Ireland company, and the large contribution of public funds; and, thirdly, the provision of the master agreement—a legal document relating to the safeguarding of public funds.

We then considered the actions of the Department of Commerce and the Northern Ireland Development Agency during the project. The main issues which arose were the agreement with GPD Services Inc—the Swiss company — for the technical development of the car; the monitoring of the project by the Northern Ireland Development Agency, including the role of the nominee directors, about which I shall have more to say; De Lorean Motor Car Ltd's interest-free loans to the American De Lorean Motor Company; the lack of security for those loans and the method by which they were repaid; the justification for the sharp increase in employment during 1981 at a late stage in the life of the project; and, finally, the lessons that must be learnt from the failure of the project.

We had to ask: how practicable was the scheme from the beginning? Should it have been assisted? We know of the enormous problems in Northern Ireland, and we know of the special difficulties that existed with jobs available in east Belfast but none in west Belfast. The scheme would have produced 2,000 jobs in west Belfast, which would have been of enormous benefit to the country and to the people of Northern Ireland.

Then we had to consider the assessment by the Department of Commerce and how adequate and effective its negotiations were. We had to consider whether there was a sufficiently experienced team to deal with such a complex proposal. The Committee considered the importance of monitoring, because, in all its activities, it places great emphasis on the way in which monitoring is carried out. That is the only control we have. We consider several matters when we investigate a project, and the advice which we give from the start is that the Government Department concerned should be clear about what it wants

to do. Also from the start—not at a later stage—we want the Department to set in train a scheme for monitoring the developing project. Finally, we want the Department to be in a position unequivocally to compare outturn with expectation.

The importance of monitoring is obvious: it gives us an understanding not only of what has happened, but of what is happening at the time. Therefore, if matters are not going according to plan, modifications can be introduced. That might strike hon. Members as being obvious and reasonable, but, unfortunately, we investigate many companies where that was not done. Usually, the monitoring is carried out after the programme has been fulfilled. We must always repeat the necessity for monitoring at the beginning of an operation.

Then the Committee considered the extremely tight timetable. Was it accepted unwisely? Should the business have been conducted differently? In this respect, we must consider the circumstances in which the decision was made. The first meeting between the Department of Commerce and De Lorean was on 12 June in New York. At that meeting he put forward a scheme for engaging 2,000 people to work in west Belfast. Between 19 and 21 June, John De Lorean visited Belfast. The heads of agreement were signed on 21 June. On 29 June a joint team from the Department of Commerce and the Northern Ireland Development Agency visited the United States.

Our criticism is that the joint team consulted no American banks, financial institutions or automobile companies. Indeed, at no time did the joint team approach any American bank or financial analyst for a report. Of course, it was said that De Lorean had received offers from Detroit, Puerto Rico and the Republic of Ireland. De Lorean required the Department of Commerce to reach a decision within the short period of 16 days. No one else was subject to such pressure; indeed, Puerto Rico had been considering the matter for a year.

On 7 July a report was commissioned from McKinsey. It is a pity that that was not done earlier. Its points are set out in paragraph 18 of our report. The four main business risks that McKinsey identified were: first, that the ambitious sales and marketing share projections might prove unattainable; secondly, that the technical difficulties of developing a new plastic body might not be resolved in time, resulting in a sharp increase in capital expenditure requirements; thirdly, that the timetable for moving from development to production had no margin for slippage, because the financial and operating projections assumed that the operation would be outstandingly efficient from its inception; and, fourthly, that the project depended largely on one man—John De Lorean—and that its viability would be in doubt should anything happen to him.

McKinsey concluded that the Department of Commerce was being asked to fund

"an extraordinarily risky venture"

and that

"the chances of the project succeeding as planned are remote".

It concluded that "common prudence" suggested that decisions should be based on a number of less optimistic assumptions than those put forward by the company. The Department of Commerce subsequently invited De Lorean Motor Company to comment on the risks and judged that DMC answered very effectively the McKinsey reservations as to the viability of the project.

That was not the view of the Public Accounts Committee. In paragraph 48, we state:

"DOC considered that 7 July 1978 was the earliest practicable date to commission McKinsey."

As negotiations had started nearly a month earlier, as early as 8 June, we were not convinced by that argument and would have expected that crucial assessment to be called for before the heads of agreement were signed. We were very impressed with the assessment that McKinsey made in so short a time. Moreover, we considered that the Department of Commerce and the Northern Ireland Development Agency team gave insufficient weight to McKinsey's conclusions. We were extremely concerned that the Department of Commerce so readily accepted De Lorean's predictably optimistic response to McKinsey's strongly stated reservations which, in the event, unfortunately turned out to be so accurate.

Besides the late commissioning of McKinsey, there was an inadequate check of what was happening in Puerto Rico and in the Republic of Ireland. The team was told that it was the company that had broken off the negotiations, but, in fact, as we know, it was the Republic of Ireland that pulled out. There was a feeling that many others were being attracted to the project and that there was a race as to who would get in first, when no such race existed. Perhaps the most astonishing reply that we received on this aspect of the inquiry, mentioned in paragraph 45, was when we asked what further checks, if any, were made on Mr. De Lorean's creditworthiness or business standing prior to the completion of the master agreement. The reply received was to the effect that the agreement was between the De Lorean companies and the Department of Commerce and the Northern Ireland Development Agency, not Mr. De Lorean personally. It said:

"There was no need to investigate his creditworthiness since no reliance was placed on him to input capital from his own resources".

There was no independent engineering assessment of the state of development of the car. In practice, the Government thought that they were buying the car, when they were purchasing the concept. Much of the design had to be undertaken subsequently, in ways that I shall describe. Finally, I repeat that the risks outlined by McKinsey were given insufficient weight, when they should have served as a warning.

I refer now to the structure of the De Lorean companies and the very high level of contribution from public funds. The point that we make strongly in our report is that the Department did not seek an adequate contribution of real risk capital from Mr. De Lorean, but left the control of the companies in his hands. As a result, De Lorean had control with little risk, and that was not a foundation on which the project was likely to prosper. That was the conclusion that we reached.

I should like to refer next to the provisions of the master agreement in relation to the safeguarding of public funds. I am concerned with the ambiguity in the master agreement, which was signed in July 1978. It was a legal document, but not as tightly drawn as it should have been. It enabled Mr. De Lorean to behave as if there were only one company, of which he was the sole proprietor. When one bears in mind the investment that he put in and the enormous investment that the British taxpayer put in, one realises that that was wrong. Several opportunities subsequently presented themselves to the Government to alter the master agreement to establish more effective safeguards, but unfortunately those opportunities were not taken.

[Mr. Robert Sheldon]

One important aspect is the agreement with GPD Services for the technical development of the car. GPD was a Swiss-based company registered in Panama. I suppose that if that had been more widely known there would have been a greater alert as to what was going on. Because of the whole way in which the agreement was operating, tight monitoring and control was crucial. We say in paragraph 89:

"NIDA and its nominee directors gave Mr. De Lorean too much freedom to manipulate the companies to his own ends."

As an example, on 28 July 1980 there was an entire reconstitution of the board of De Lorean Motor Company, with new directors, including his wife, on the board. The nominee directors were not consulted about what was changing in an important part of De Lorean. The presence of nominee directors, inexperienced in the automobile industry, was not sufficient to ensure that the public funds committed were adequately protected and prudently applied.

The agreement with GPD came about because for some 20 years Colin Chapman had had an arrangement with Mr. and Mrs. Juhan, who were importers and distributors for Lotus in Switzerland. Mr. Chapman was a former chairman of Lotus. A contract was made between De Lorean and GPD Services for $17·3 million to carry out the engineering work. In fact, the contract stipulated that $17·3 million was to be paid in advance as a lump sum. Why was it to be paid in advance? We deal with the matter in paragraph 60 of our report. We say:

"The intention to contract with a Swiss company, about which nothing was known, and to pay what was envisaged to be the total cost of the work in advance ought to have been regarded by NIDA as being so unusual as to require close scrutiny."

Unfortunately, that scrutiny was not given. The agreement of the nominee directors should have been withheld.

I now come to the slightly complicated matter of the financing arrangements. I shall not spend too long on it. Those who wish to go into it further will find it all in the report. However, it would be wrong if I did not deal with it at least in moderate depth. A particularly unusual transaction occurred in May 1979 when, after the agreement, Lotus repaid GPD the $4 million that had been paid to it in November 1978 as a good faith deposit. That $4 million formed part of the funds that were misappropriated from GPD.

We were told that when De Lorean Motor Cars Ltd. commenced making payments to GPD in 1979 there was no reason why the nominee directors or NIDA should have been concerned at that development as it was embodied in the GPD contract, which provided for the payment to GPD of certain costs in addition to the advance payment. However, I must quote Sir Kenneth Cork, who was the liquidator. He took the view:

"if you paid someone US $17·65 million to procure the development of a car, you would not expect to pay any more until approximately US $17·5 million had run out; that is why I was astonished."

We echo that astonishment and regard it as an extremely serious lapse by the nominee directors and the Northern Ireland Development Agency that they did not challenge the payments.

Between April 1979 and December 1981, almost £11·5 million was paid by De Lorean Motor Cars Ltd. to GPD Motors in respect of the technical development of the car, over and above the advance payments totalling $17·65 million. We thought the level of control to be utterly inadequate. Over $17 million was misappropriated without detection by those with responsibility for monitoring the scheme.

Mr. Nicholas Winterton (Macclesfield): In view of his serious allegations about the abuse of public funds, can the right hon. Gentleman tell the House how many of those involved have been removed from their positions as a result of grotesque incompetence?

Mr. Sheldon: The Public Accounts Committee is not responsible for going into such matters. That is one of the reasons why the Committee wanted a debate on the Floor of the House. Problems are involved which are not for the Committee to resolve. Our task was to ensure, to the best of our ability, that the House was informed about taxpayers' money which had not been properly applied, and that any lessons to be learnt were given to the House. Other matters are for those with other responsibilities.

I have had to go into the finances of the case in detail because it is necessary to explain how the money went adrift, or, as Sir Kenneth Cork said, "went walkabout". Contrary to the original intention, both the American parent company and the development of the car were largely financed by the taxpayer, and over $17 million was misappropriated without detection by those engaged in monitoring the project. Not one penny of that $17 million paid to GPD was used for the development of the car.

I shall now deal with the interest-free loans by the Northern Ireland subsidiary company, De Lorean Motor Cars Ltd., to the American parent, the De Lorean Motor Company. We thought it wrong for the Northern Ireland Development Agency to permit De Lorean Motor Cars Ltd. to make any loans to the American company. There was no need for that. In the event, the United States company received £6·5 million in loans from the Northern Ireland company. The use of taxpayers' money to fund the activities of an American company over which the Northern Ireland Development Agency had no control was unacceptable. The agency was clearly wrong. The loans were made without any form of agreement. There was no security, no terms for repayment and the loans were interest-free. That was a wrong decision, and we draw attention to it in the report.

When Mr. De Lorean went to Northern Ireland in early August 1980, he insisted upon a top-level meeting with the Government about the company's request for more funds, totalling £14·9 million. That arose mainly from cost overruns, which had been with the Government since January 1980. The application had received the support of the Northern Ireland Development Agency at a board meeting on 28 May. The agency thought that £14·9 million would not be enough and suggested that a larger sum should be considered. McKinsey had predicted a need for between £14 million and £21 million.

Paragraph 28 of our report states:

"At a meeting on 5 August between Mr. Humphrey Atkins (by then the Secretary of State) and Mr. De Lorean, the latter indicated that the company required £20 million of extra funds, of which he expected to raise £6 million himself. The Government agreed to a loan of £14 million."

That was followed during 1981 by a large increase in the number of employees at the Northern Ireland factory. The target had been a maximum of 2,000 employees. In April 1981 a further 1,000 employees were recruited, and by

January 1982 2,600 workers were employed in the factory. That large increase in employment caused a number of problems in connection with running the factory.

A second shift was introduced, but the company's training centre was unable to handle the high intake. Untrained labour had to be put straight on to the production line, and the quality and productivity deteriorated. The cash flow was put under additional strain. The extra production was not matched by sales, and by the end of January, of the 8,000 cars produced, only just over 3,000 had been sold. That left high stock levels for dealers and the company. A wrong decision was taken which owed much more to Mr. De Lorean's desire to attract new funds from investors in the United States than to any realistic assumption about sales projections for the car.

What lessons can we learn from all this? The most important lesson is about how the Government operate in high-risk enterprises. As in this case, the situation is sometimes so bad that the problems are not regarded in quite the same way as they might be in relation to other forms of investment. How should the Government operate in high-risk areas, given the need to consider them and not to turn them aside?

First, the Government must match the experience and the negotiating skills of the people with whom they deal. Resulting agreements must be unambiguous to prevent the problems which inevitably arise when one is dealing with circumstances which are not normal for such investments. Secondly, the Government must insist on adequate time in which to carry out a full and detailed assessment of a potential project's viability.

In the private sector an individual might come to conclusions based upon a hunch, a guess or an informed understanding and he is, therefore, able to act more quickly than as a Government Department. Unfortunately, the Government cannot do that. The Government must account for their actions to the taxpayer. The Government must be given adequate time. If that is not open to them, reluctant though they might be, they must waive a decision. The quality of management must be thoroughly assessed by the Government.

Mr. J. D. Concannon (Mansfield): My right hon. Friend must understand what was happening in Northern Ireland in 1975-76. Today we are talking about one of the failures, but Northern Ireland has had many successes which would not have been successful under the conditions that he describes, because they would not have got past first base.

Mr. Sheldon: I shall be dealing with the specific problems in Northern Ireland. It is clear that the Government must take certain risks. I am explaining how such risks should be taken without putting too much of a brake on the work which is so necessary in Northern Ireland and elsewhere.

The quality of management must be thoroughly assessed by the Government, particularly when one man appears to be essential to the success of a project. Much greater investigation and control are needed. Where a new company is involved, the personal qualities and reputation of the person concerned need to be investigated most thoroughly. With a new industrial project, there must also always be a significant contribution of risk capital from the industrial side. The company must have a considerable stake in the project. It is no use relying on the expertise and understanding of the person concerned if he does not have a substantial element at risk himself. When contemplating any high-risk investment, the Government must consider the worst case. They must consider what will happen if things go wrong, how far things could go wrong, and the limits of the Government's risk. It is also important that the detailed monitoring arrangements should be agreed in advance. They must be set up when the decision is made, so that there is no uncertainty about how the monitoring is to be carried out.

It is also essential that the role of nominee directors should be clarified throughout the whole Government machine. A number of nominee directors are uncertain of their role. The Public Accounts Committee has examined the problem. The Committee may take further evidence, and it will certainly submit a report on the role of nominee directors. It is assumed that they constitute a proper method of control, but both on the Government side and in the business world there are wide variations in the operation of nominee directors and in the interpretation of their role. Assumptions made about the effectiveness of control by nominee directors may not be valid, or may have only partial validity.

Finally, phased investment, wherever possible, is the best practice. Again, there must be tight monitoring so that, when so much money has been spent, the exact position is known. The passage of money and the progress of the scheme must be seen to go hand in hand and to be related one to the other.

The Committee had a memorandum from the Department of Finance and Personnel. The memorandum and the subsequent correspondence show that the Northern Ireland Departments have accepted the Committee's criticisms of the handling of the project and have agreed with the Committee on the lessons to be learnt. The Committee has also been assured that the lessons will be properly applied. The Committee needs an assurance from the Government that the lessons will also be applied throughout the United Kingdom by all other Government-funded bodies with responsibility for industrial development investment.

What progress is being made by the investigation into the affairs of the De Lorean companies by the receivers and the Royal Ulster Constabulary? Is every effort being made to recover the maximum amount of the public funds invested in the project? I hope that the Minister can tell us how much of the money invested has been recovered by the Government to date.

My right hon. Friend the Member for Mansfield (Mr. Concannon) spoke about operations in Northern Ireland and the general aspects of industrial development there. I acknowledge the difficulties faced, at present and in the past, by those who have the great responsibility of attracting mobile investment into Northern Ireland. They operate in a highly competitive market. They have to cope with the pressure of the highest level of unemployment in the United Kingdom. They have to overcome the often distorted image of Northern Ireland shown to the world by the media before showing the many positive attractions that it has to offer. One of the most important of those attractions is the plentiful supply of skilled, flexible and dedicated labour. The Committee stated in the report:

"We would wish in this context to emphasise that in our view no blame for the failure of the De Lorean project rests with the workforce—on the contrary they emerge with great credit."

The Committee was very impressed by the work force.

[Mr. Sheldon]

When assessing the viability of a proposed enterprise in which public funds are to be invested, a delicate balance has to be struck between risk and reward. Both at the initial decision-making stage and later in the monitoring of the project one has to follow a difficult path between an over-careful concern with detailed control and over-reliance on the management's capabilities. The Committee concluded:

"it is our view that, in the De Lorean case, they were struck at the wrong place at each stage."

The evidence of Sir Kenneth Cork carried great weight with the Committee. He said that a smaller scheme might have been viable. One might ask whether De Lorean would have accepted a smaller scheme. That is another matter. The lessons here for every Government Department to learn are apposite and should be well heeded.

4.36 pm

The Minister of State, Northern Ireland Office (Dr. Rhodes Boyson): I agree entirely with the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) that the report is most important. I am sure that the whole House will wish to join me in thanking the Public Accounts Committee for its painstaking examination of the very difficult and complex issues involved.

I think it would be useful if I made the Government's position perfectly clear right at the outset. This position has, of course, been affected and guided by a careful study of the Public Accounts Committee report itself. I shall be as brief as possible as I know that many right hon. and hon. Members on both sides of the House wish to take part in the debate.

I have no doubt that the only basis for successful industrial development in Northern Ireland or anywhere else is through soundly based enterprises, with the private sector playing its proper role in taking risks and generating profits, and with every project that comes forward for Government assistance being scrupulously researched and assessed and meticulously monitored.

Let me recall that at the time when this project was conceived the Government of the day, like the present Administration, were concerned about the very high level of unemployment in the Province. This was—and still is—particularly severe in west Belfast, where unemployment was then running at five times the average in greater Belfast which itself was well ahead of the Great Britain average. As we all know, these are the conditions in which terrorism can easily recruit on every street. Given the complex mixture of security, economic and social problems in Northern Ireland, there has been a natural desire for all Governments to explore every possible means of employment. All the conventional approaches to industrial development had been tried and failed in west Belfast. The normal industrial development project is spawned by an established company resting securely on a number of proven products, with substantial assets and financial backing. Such projects had shied away from Northern Ireland at that time.

By 1977 the flow of inward investment to Northern Ireland had virtually dried up. Between 1970 and 1977 only one American company decided to invest in the Province. A state enterprise—Strathearn Audio—had been attempted and had foundered. It was against that background that the Government negotiated with De Lorean, hoping to bring together an experienced and successful engineer and business man, with a good team and a seemingly viable idea, and with Government providing most of the capital.

The De Lorean project, with the prospect of more than 2,000 jobs, was very attractive. As the right hon. Gentleman has said, Northern Ireland was only one of several areas competing for the investment. As a deal with Puerto Rico had virtually been completed — indeed, compensation had to be paid afterwards because the deal was not carried through—the negotiating pressure was intense, especially as regards the time scale. About £40 million of American federal money was on offer if the project went to Puerto Rico, while Detroit itself was putting up money for the De Lorean project, believing that if the car went elsewhere the long-term viability of the Detroit industry could be affected.

The right hon. Gentleman has drawn attention to the speed with which the deal was arranged. He has referred to the lack of contact with American banks. However, the McKinsey report was available, and Mr. De Lorean's reputation at that time, both in America and around the world, had to be borne in mind. In his recent autobiography, the head of Chrysler said that De Lorean was a first-rate auto man and a super engineer for Pontiac. Such was the reputation of the person involved.

There was also the report written for Puerto Rico by the reputable auditors Kearney, which says:

"Kearney feels that DMC's marketing, production and organisation plans are sound. Assuming that significant delays or reversals are not encountered, Kearney feel that DMC should achieve its initial sales and production objectives."

Similarly, a report done for De Lorean by Booz, Allen and Hamilton stated:

"Entry into this market with its high capital investment and entrenched competition obviously involves considerable risk. Nonetheless, we believe that your product, your people and your business concept in combination should prove the necessary elements for success."

Those reports were available to the Department at that time.

Mr. Nicholas Winterton: It is strange that my hon. Friend should be seeking to make excuses for the lack of adequate inquiries about the pedigree and career of Mr. De Lorean, because anybody in the motor industry, not least General Motors, could have told the Department that De Lorean had been dismissed from General Motors. If the Department had asked the editor of the *Detroit News*, which has much to do with the motor industry, it would have found out that he had an extremely seamy past. Can my hon. Friend assure me that the Government will in no way grant money to any business man in this country on the basis that they granted it to De Lorean?

Dr. Boyson: My hon. Friend's latter point is the easiest one to answer. One thing that has changed, and one of the lessons that have been learnt, is that money will not be put by the Government into projects in Northern Ireland unless private money is also put up. It is no longer a question of somebody coming along with an idea and the Government providing the money. In all the schemes going through now, there must be at least £1 of private money to any £1 of help from the Government.

I realise that my hon. Friend the Member for Macclesfield (Mr. Winterton) has had a deep and intense interest in this matter for a long time. I quoted the head

of Chrysler, which, with all due respect to my hon. Friend, is a well-known company. Only three months ago, when he left that company, I read a great deal about the reputation of Mr. De Lorean. If my hon. Friend knew that at the time, he should have drawn it to the attention of the Northern Ireland Office. Similarly, if he knows of anyone who the Government are funding at present in Northern Ireland who is likely to come to a sticky end, we should be grateful for that information.

Mr. Concannon: I cannot understand how the myth has arisen that no one went into Mr. De Lorean's background with General Motors. I spent some considerable time examining his background, certainly with General Motors. The hon. Member for Macclesfield (Mr. Winterton) says that Mr. De Lorean was sacked from that company, but I can only quote what a representative of General Motors told me when I asked him whether De Lorean could do the job. He said, "Yes. If that is the product you want, he is the only person in the world who can do it. He has a proven background, and if he came back to General Motors tomorrow we would put him on such a project." That is the sort of reaction I got from General Motors, from Chrysler in Pittsburgh, and from almost everyone I asked at the time.

Dr. Boyson: I welcome the intervention of the right hon. Member for Mansfield (Mr. Concannon), who occupied the office that I now hold during what was obviously a difficult time. They are always difficult times in Northern Ireland. In fairness, I should say that the pressure was not all one way. It was made clear to Mr. De Lorean that assistance would be available only if the project was located in west Belfast. He did not have carte blanche to set up anywhere in Northern Ireland.

Having made the decision to compete for the project, efforts were then made to get the best assessment available in the time available, bearing in mind the fact that several places — Detroit, Puerto Rico and the Republic of Ireland—had shown their confidence in the project by making firm offers for it. When it came to the decision to assist De Lorean, a balance sheet of positive and negative factors was drawn up by Ministers in Northern Ireland. In the light of that assessment, the Government concluded that the balance of risk lay in favour of the project. I know from first-hand experience how heavily the responsibility for conditions in Northern Ireland weighs with Ministers, and I can understand the good intentions behind this experiment in policy.

When the Government took office in 1979, loans and share capital amounting to £52·8 million had already been offered and accepted. Of this, about £13·48 million had been paid to the company. The Government believed that unilateral termination of the agreement at that stage would have resulted in a cost to public funds in excess of the amount estimated to carry the project to completion. In 1980, the Government, after taking legal advice on the terms of the 1978 agreement, concluded that further assistance of £14 million should be made available to the company in addition to the £52·8 million already offered.

It is worth remembering that in 1981 the Government considered that there was a prospect that the project might be successfully established, albeit at a greater cost to public funds than was provided for in the original agreement. As late as November 1981, McKinsey — during the two years that company presented about 10 reports to the Government — which had been closely involved in the monitoring of the company, forwarded a report to the Northern Ireland Development Agency under cover of a letter which contained the following passage:

"You may detect in the report a rather more optimistic tone than has been characteristic of our previous reports. I think this is justified. The feed-back that we received from our dealer survey, my impressions gained from discussions with two area managers at the New Jersey Quality Assurance Centre all suggest that there is at least a good possibility that by the end of the year DMC will be reporting consolidated profits perhaps of the order of 30 million on 350-400 million dollars of sales. In other words the very considerable risk taken by HMG in agreeing to back the project in the first place might be seen to be paying off."

The road to hell is paved with good intentions, and the fact is that the project failed. When that happens, it is essential to extract every lesson that we can from the experience, and the House will be grateful for the lessons which the PAC listed in its report. This is not an academic exercise. Its object is to incorporate the lessons into current operating procedures and practice. In this respect, we owe a great debt to the PAC for the detailed work that it carried out.

I should record that the Public Accounts Committee's report presents a comprehensive analysis of the potential pitfalls in attracting and developing new industrial projects. It will help to shape the thinking of everyone who is involved in this area. For my part, I can assure the House that all of the major recommendations in the report have been accepted and incorporated into the procedures for handling industrial development in Northern Ireland.

As the Department of Finance and Personnel's memorandum of response of 24 October 1984 and the supplementary memorandum of 8 January 1985 make clear, Government policy has been changed. A project such as De Lorean would not now be supported. Industrial support is made available only for projects in which a substantial part of the financial resources is provided by the private sector. *[Interruption.]* The Industrial Development Board's operating arrangements and investment criteria are now devised in the light of the experience gained in the De Lorean case and are fully compatible with the recommendations in paragraphs 91 to 97 of the Committee's report.

I should say in response to a comment that I heard from the Opposition Benches about unemployment in Northern Ireland—no doubt made with the best of intentions—that we have not stopped investing money in what we believe are viable projects. If we consider what we are spending now to help industry in Northern Ireland—I trust that we are spending it sensibly, as did most previous Governments—I do not believe that the Government have anything to be ashamed of.

Mr. Concannon: I simply wished to draw attention to unemployment in Northern Ireland. Some of my colleagues have high unemployment in their constituencies, but it is as nothing compared with Northern Ireland. If the Government want to do something about it, they must take risks commensurate with the problem. With the addition of the security problems in Northern Ireland, that is the context in which we should place this debate.

Dr. Boyson: I appreciate the points made by the right hon. Member for Mansfield. I have a weakness in the House sometimes in that, as an ex-teacher, I always hear what is being said at the back of the class. Therefore, I issue an apology not only to the right hon. Member for

[Dr. Boyson]

Mansfield but to my hon. Friends and to other Opposition Members. I shall, after 11 years, try to disabuse myself of that habit.

The IDB's operating arrangements and investment criteria are now devised in the light of experience in the De Lorean case, and are fully compatible with those recommended in paragraphs 91 to 97 which, with regard to future policy, are the kernel of the report. In particular, they ensure, first, that the IDB has access to a range of skills appropriate to each project and to technical advice, and takes whatever time is required fully to assess project viability, including consideration of the worst case scenario. This week I have been looking into the sort of technical advice that we have been using on projects and the reason that projects have been accepted or rejected on that technical advice.

Secondly, management quality is examined as part of the assessment process and, where a new company is involved, the personal qualities and reputation of the entrepreneur are exhaustively investigated. Thirdly, the parties' responsibilities are clearly defined in financial assistance agreements. Objectives and standards of performance and, where appropriate, detailed monitoring arrangements are agreed in advance.

Fourthly, where possible, agreements are based upon the principle of phased investment with a maximum up-front commitment from the private investors, and care is taken to ensure that there is an adequate reserve of private funds available should the project run into difficulties. Lastly, careful consideration is given to the company structure. The aim is to secure a legal commitment from the company which has overall or ultimate responsibility in the performance of obligation.

Moreover, in line with the Committee's recommendations in its report, the position of nominee directors has been reassessed and detailed formal advice on their role and responsibilities has been given. A document on the role and responsibilities of nominee directors was prepared by the Industrial Development Board, in April last year, I believe, and a copy has been made available to the Committee. The role of nominee directors is a difficult one, and we believe that in preparing this document we shall assist in future policy.

Mr. George Park (Coventry, North-East): When a person becomes a nominee director, does the Minister's communication deal with the aspect that that person then owes his first loyalty to the company, not reporting to Government?

Dr. Boyson: I know that the hon. Gentleman is an expert on the automobile industry. He has put his finger on the central question whether, when a person is put on a board, his first responsibility is to the company which has appointed him. Who pays for that? About £5,000 was paid in this case to the nominee directors or to those who put them on the board.

I have been considering this week what can be done. From discussions, it would seem that if a nominee director who is put on a company board to watch the interests—and that is what is done by the IDB in Northern Ireland—finds that there is some information which he cannot bring back which in his view will prevent him from doing his job properly and may put at risk the future of IDB investment in the company, he has to resign. This question will have to be discussed more widely. It is a difficult matter, and the hon. Gentleman was right to put his finger upon what could be a major weakness. If such a nominee director cannot bring back information and do the job for which the IDB appointed him, he should resign because he cannot do the job that he was appointed to do.

The Supplementary Memorandum of Response of the Northern Ireland Department to the Public Accounts Committee lists the 13 principles which the Northern Ireland Department will now follow in assessing and supporting new industrial projects. Lord Bruce-Gardyne, a Member of the other place and a former Member of this House, who has always surveyed the De Lorean project with at least a highly sceptical eye, stated:

> "I was highly impressed, in particular, by the 13 specific steps to which the Northern Ireland Department is committing itself and its officials in the light of another plausible adventurer happening to appear before them."—[*Official Report, House of Lords*, 27 February 1985; Vol. 460, c. 993.]

As for the De Lorean case itself, the Government share the Committee's serious concern about the loss of public funds and are determined to take all available steps to recover as much of the loss as possible. I am sure that the House will be aware that there are certain aspects of the case which I should not discuss because of factors affecting legal actions relating to the De Lorean case. The Government and the receivers, however, have initiated legal action in the United States and in Switzerland. The United States Trustee in Bankruptcy has legal actions in hand on behalf of creditors, of whom Her Majesty's Government are the largest, against a number of parties, including De Lorean.

It has been asked how much money we have reclaimed. A total of £6 million has already come back and, with regard to the site at Dunmurry, the sum of £1·8 million. The Government will leave no stone unturned to get back in every way possible the money that went adrift or that went "walkabout," as was mentioned earlier by the Chairman of the PAC.

Mr. Nicholas Winterton: My hon. Friend has talked about the various sources from which the Government hope to recoup some of the taxpayers' dramatic losses. He has not mentioned the action that the Government were taking against Arthur Andersen. Can he update the House on what the Government are doing in respect of the accountants Arthur Andersen in New York?

Dr. Boyson: I am grateful to my hon. Friend for asking that question. I have a side-note prepared because I thought that some hon. Gentleman might ask the question. It was not a plant. I assure the House, given the strong feelings of my hon. Friend the Member for Macclesfield on the De Lorean case, that he and I are not hand in glove. I assure my hon. Friend that Government action in the case to which he has referred will be vigorously pursued.

Out of fairness to Northern Ireland—and this was said by the Chairman of the PAC—I must put on record the fact that the tragedy of the failure of the De Lorean project was not the fault of the workers of the company or of the people of Northern Ireland. The factory was built, the work force trained and the product brought to market within two and a half years. The Public Accounts Committee acknowledged this at the beginning of its report.

The Public Accounts Committee also commented that it would not want

"the De Lorean experience to lead to the Industrial Development Board becoming an over-cautious bureaucratic organisation in danger of rejecting opportunities for fear of criticism".

There has to be a balance between careful assessment of a project and joint risk-taking on one side and careful control of public money on the other. That is a difficult decision for Ministers, and even more difficult in Northern Ireland.

I regard it as vital that, if we are to assess properly the lessons of this case and the Public Accounts Committee report, we must not confine ourselves to the easy line of criticism simply by being wise after the event, but we should try to understand the circumstances of the time and put ourselves in the position of those who made the decision and monitored the project. I am pleased to say that the Committee's report has emphasised this point.

It is said that those who ignore the lessons of history have to live them again. I trust that, with the help of the PAC report, that does not happen in this case. I shall be interested to hear the views of right hon. and hon. Members on this case and on the Public Accounts Committee report.

5 pm

Mr. Roy Mason (Barnsley, Central): I, too, wish at the outset to welcome the PAC report. It is well known in the House that I am not a lover of Select Committees or of the Select Committee system. However, the PAC is a time-honoured and respected body of the House, and over the years Governments have usually appreciated its work, responded as helpfully as Government policy would allow, and invariably taken on board many of the Committee's recommedations.

That was not wholly true on this occasion. Only after the PAC had objected to a poor and inadequate response from the Government did it get a few more positive acceptances of its recommendations. There was a poor response because the Government were embarrassed. The cash had been lost or had gone walkabout. That had happened in their time, not in Labour's time. As a result of the PAC report, new operational guidelines have been issued to those Departments and senior civil servants working within the Government's policy.

The Government's policies have changed. They now have a less interventionist policy. Their overall policy is less caring about the social distress and severe enconomic problems of areas and regions of the nation. Unemployment has risen dramatically. Ministers and senior civil servants have been frightened off taking initiatives and using Government intervention techniques to encourage industry, especially in those parts of the country to which, for a variety of reasons, private enterprise will not go.

Stilted, frustrated, shackled expertise has been the order of the day in Departments concerned with industry, commerce and in the development boards. Their enterprise and spirit has been dulled. They are no longer interested in searching for jobs, and their political masters have adopted the same attitude. There is no political will in the Government to fight the disease of unemployment.

That is the Achilles' heel of the Government, and it will be their downfall. Hence the fifth columnists in their ranks who are determined to undermine and ruin their non-interventionist strategy. All those forces, together with those of her Majesty's Opposition, will in due course succeed in their endeavours because there will be Merseysides, Bogsides and west Belfasts—no-go areas by private enterprise—and if dereliction, misery, mass unhappiness and civil strife are to be avoided, Government intervention will be absolutely essential.

"The decision to support the De Lorean project was taken not only in the knowledge of the risk of possible failure, but also having regard to the great benefits which success could bring to an area beset by acute political, social, economic and security difficulties."

That statement appeared in Cmnd. 9374, the Government's response to the Committee. They added:

"The policy has, however, changed, and investment of this nature would not now be supported under present Government policy."

The Government will eat those words before this Parliament is at an end. Indeed, they have already had a few gobstoppers—decisions which must have stuck in their throat.

When the PAC used the words

"the gravest misuse of public resources,"

everybody appreciated that it was an exaggeration. Over the years Governments have done much worse than that. One need go back only to 1962, when it was estimated that the production cost of Concorde would be £75·85 million. By 1979 the cost had reached £795 million—for a project which has never been a commercial proposition.

What of Ravenscraig and the fight by the Secretary of State for Scotland to keep it alive? It is not profitable. It is kept going on social and employment grounds. On 26 January 1983 the Select Committee on Trade and Industry questioned the then BSC chairman, Mr. MacGregor:

"Do you believe that likely present and future demand for steel from BSC could be met more efficiently by three or four integrated sites?"

He answered:

"Yes. Keeping five sites open, the cost is £100 million per year."

That was for social and employment reasons. De Lorean was £77 million over four years. Thus, it is not necessary for anybody to explain to right hon. and hon. Members who have lived through such decisions that De Lorean was one of the gravest misuses of public resources. Governments are periodically forced into situations in which social needs and job considerations outweigh strict economic calculations, and the emphasis in the PAC report should have been much more balanced in that respect.

Mr. Michael Latham (Rutland and Melton): In relation to the expression

"the gravest misuse of public resources,"

does the right hon. Gentleman not realise that a considerable amount of money was swindled?

Mr. Mason: Of course I do, but I am talking about the time when the agreement was being established. At that time we had to take into account the social considerations as well as the economic argument about whether we could manage to get as tight a master agreement as that to which the Chairman of the PAC referred.

In that sense, let us consider the PAC report and its examination of the De Lorean motor car project. The numerical strength of the PAC was 15 Members of Parliament. The Committee had nine sittings, and the average attendance at the Committee was six. Apart from one sitting, the highest attendances were for the two mainly drafting sittings, and then there were only 11, some of whom had not been present to question most witnesses. So much for the seriousness that they—the majority—attached to the subject.

[Mr. Mason]

As for their experience, especially of ministerial office, there were two former Under-Secretaries and the Chairman who had served as a junior Minister at the Treasury. The Chairman was Financial Secretary to the Treasury from 1975 to 1979. That was a most crucial time, because, before the De Lorean deal could be finalised and agreed by Government, the Treasury had to be won over or, by decree of ministerial majority, accept the final decision of the Economic and Industry Committee.

The Treasury had some reservations—expressed by the then Chief Secretary, now Lord Barnett — not in direct opposition but expressing doubts as to whether the economics of the project were open to serious question. However, the clear view of the Committee was that the De Lorean deal should go ahead, and on 26 July 1978, after a meeting at which 19 Ministers were present, I was given my instructions on how to proceed. Not one Minister and not one Department, including the Treasury, objected to my proceeding.

In the light of the PAC report—which was printed on 16 July 1984, six years after the deal was agreed by the Government in 1978—we must consider the background in terms of the situation in Northern Ireland and west Belfast at that time. Unemployment in the United Kingdom averaged 5·7 per cent. In Northern Ireland it was 11 per cent. In west Belfast, male unemployment was between 35 and 40 per cent. Youth unemployment stood at 50 per cent. It is a shocking and disgraceful indictment of the present Government to note that, while unemployment in the United Kingdom now averages 13·5 per cent., in Northern Ireland it averages 21 per cent.

Early in 1978 the Labour Government decided on a special policy for Northern Ireland. While there were always problems with security and continuing talks on constitutional change, something more positive had to be done at that time to alleviate the social distress caused by such high rates of unemployment. It was not just the awful social and economic scene — the ever-growing dole queues and soul-destroying despair as the Department of Commerce and the Northern Ireland Development Agency searched for jobs—but the frightening terrorist picture. That picture was one of terrorists in their ghettos of relative safety, of no-go areas for inward investment and of recruitment centres for the Provisional IRA and the Irish National Liberation Army, with thousands of young people constantly drawn into the clutches of those terrorist groups.

If the Government showed that they cared, that they recognised the awful severity of the problem, and produced a policy which would tackle the social evils of mass unemployment, they might also win those young people away from terrorism. In other words, if they cut off the terrorists' raw material, their supply of recruits, hopefully, by our deeds, we would be known and recognised.

The Cabinet agreed to my scheme to tackle this enormous problem by furnishing a new set of financial aids designed to attract investment in the Province. Whereas, in the assisted areas of Great Britain, 23 per cent. of cash grants was given to new developments for the purchase of land, the building of new factories and so on, in Northern Ireland I was allowed 40 per ent. for the whole of the Province and 50 per cent. cash grants in the areas of highest unemployment, such as west Belfast. That is why De Lorean went there.

Mr. Robert Sheldon: I have had an opportunity to check the Members' attendance at four of the five sittings of the Committee. It was nine, 10, 10 and 12, and, as my right hon. Friend rightly says, attendance at deliberations was greater than that. He will be aware that the Financial Secretary to the Treasury is a member of the Committee who does not attend. There was one member who was ill almost throughout the proceedings and there was another who was waiting to transfer out of the Committee.

Mr. Mason: I am sorry that my right hon. Friend has started nit-picking on the numbers. I would not want to bore the House by reading out all the attendances, although I have a list here. Apart from one decimal point, there is no difference between what I have said and what my right hon. Friend has said.

Armed with these new financial aids granted by the Government, my right hon. Friend the Member for Mansfield (Mr. Concannon) and I bent all our efforts to sell Northern Ireland as a location for investment and industrial expansion. My right hon. Friend the Member for Mansfield did a sterling job; everyone in the Province will vouch for that.

In 1978 and 1979, we attracted seven American companies to Northern Ireland with job prospects for 4,100 people. De Lorean was one of them.

"The team of officials which negotiated the De Lorean project was responsible for the negotiation in 1978 and 1979 of 6 other new American Investments which are currently providing some 2,300 jobs (20% of all the existing jobs in US companies in Northern Ireland). Some of these companies have subsequently entered into expansion agreements."

That, too, is a quotation from the Government's reply to the PAC, in Cmnd. 9374. If, therefore, the PAC intended any reflection on them, that reply partly answers the criticism.

The negotiations on the De Lorean project were hectic but detailed. Contact had been made long before 20 June 1978 when the Northern Ireland Development Agency and the Departments of Commerce, Finance and Manpower Services examined the Booz, Allen and Hamilton consultancy report on the De Lorean project. That had been prepared months before for Puerto Rico and the Irish Republic. The collective view of those Departments on 20 June 1978 was that it was a high-risk project but that we should make a pitch for it.

On 22 June, therefore, we made contact with De Lorean. Departments were now stating their positions. The Industrial Development Advisory Committee said that it was a high risk but a potentially rewarding project. The Northern Ireland Development Agency found in favour of the project. The Northern Ireland Department of Finance was prepared to agree in principle.

Meanwhile, a lurid set of articles on Northern Ireland and the troubles there was appearing in the *New York Times*, upsetting our potential investors and potential American employers on our other American projects. Therefore, we decided to convince them face to face. My right hon. Friend the Member for Mansfield and officials made the trip. On 23 June, the Cabinet Office was informed of the De Lorean prospect. We asked it to inform our ambassador in Washington and to tip off Senator

Kennedy and Tip O'Neill on the possibility and also asked that our ambassador be briefed to discuss it with the Prime Minister on his planned visit to Washington.

On 27 June, I was again in touch with the Chief Secretary. I promised him that I would try for more private investment before the Northern Ireland Development Agency's financial safety net was used. NIDA had devised a package to cover the possible gap in private investment just in case Oppenheimer, on behalf of the United States investors, failed to come up with sufficient private cash.

On 3 July, the Department of Commerce and the NIDA team went to Detroit to discuss the details of the corporate plan, and there were three days of talks. Then De Lorean came to Northern Ireland with the Booz, Allen consultants, and we had more discussions.

On 4 July, the Treasury informed me that approval would be considered only after discussion of the whole package. Therefore, on 6 July full details were sent to the Chief Secretary, the Cabinet Office and all the members of the NI Committee — the Special Cabinet Sub-Committee on Northern Ireland Affairs.

At this stage it is important to note that in this timetable the De Lorean company had already done all the work for Puerto Rico and the Republic of Ireland. It was a matter of reviewing the variables peculiar to the Province of Northern Ireland. We called in McKinsey, the independent consultants, to design the project. Then, on 11 July, a further letter was sent to the Chief Secretary bringing him up to date on all the details of the project.

On 17 July, in Northern Ireland, all the Departments concerned gathered together and the pros and cons were weighed again. The Department still approved, but concluded that at the end of the day this was primarily a political decision. NIDA, now realising that other Ministers were involved, urged me to use my best endeavours to secure a quick and favourable decision from the Cabinet Committee.

Evaluation and decision-making had thus been hectic since examining the Booz, Allen consultants' report on the project on 20 June 1978. There had been weeks of decision-making. NIDA had been fully engaged. A team of NIDA and Department of Commerce officials discussed the project in depth in the United States. There was in-depth discussion with De Lorean and his team in Northern Ireland. Top consultancy advice had been obtained and did not warn us off. We were told that it was risky, but we were not stopped. We had expert legal advice from the United States on countervailing duties. The Washington embassy was involved. All the necessary Whitehall Departments were kept in the picture. There was not one ministerial objection.

Furthermore, from not a single source had there been the slightest suggestion that the De Lorean team was suspect either as it stood or on the track record of its members. Indeed, General Motors encouraged De Lorean to come to Northern Ireland and advised the Americans to assist the project.

Then, later, Oppenheimer reported——

Mr. Concannon: It is right to point out that one of the reasons for De Lorean was this spin-off. It is also true that General Motors became interested in Northern Ireland through this and, of course successfully followed De Lorean to Northern Ireland.

Mr. Mason: My right hon. Friend is, of course right, and he knows the details.

Mr. Park: Would my right hon. Friend accept from me that General Motors did not want De Lorean anywhere near its plant ever again?

Mr. Mason: That may be so in retrospect, but I am talking about that time. That is the point. At that time none was suspect—neither him nor any of his team—and that has not been proved either.

Oppenheimer reported that 19 documents and cheques had come in from 133 investors whom he had lined up. I was thus able to impart a bit of pleasing news to the Chief Secretary.

On 24 July a message came from the Prime Minister that the De Lorean project should now go to the Economic and Industry Committee before any further action was taken. Consequently, on 26 July the EIC met, with the then Secretary of State for Trade and Industry, Mr. Eric Varley, in the chair. There were 19 Ministers present—19 Departments had examined my paper and briefed their Ministers—and on that day, without one voice raised to stop my proceeding, I was given my instructions. I concluded the deal on 28 July and made the announcement on 3 August 1978.

The press reported one trade union official in Northern Ireland as saying that

"the factory would do more to destroy the IRA than deploying the entire British Army."

Such was the feeling in the Province at that time.

That day the *New York Times* and *Wall Street Journal* carried definitive pronouncements that the De Lorean project was going to Puerto Rico — backing up De Lorean's view that he also had Puerto Rico in mind. Puerto Rico's business community was stunned at the news and threatened legal action against all of us, as my right hon. Friend the Member for Mansfield indicated earlier in an intervention. Thereafter, allaying the fears of the Chief Secretary, Oppenheimer's money started to come in: 120 investors each subscribed a minimum of $150,000 and later 206 dealers entered a sales agreement with De Lorean to purchase 26,350 cars over two years. Therefore, once the Puerto Rican proposition had gone, the Oppenheimer cash came into line.

I left office long before the factory was built. De Lorean received money from the then Government to which he was legally entitled. When I left the Province at the end of April 1979, only £17·7 million had been passed over to him. The vast bulk of the cash—apart from that which was promised and theoretically accepted—plus another two tranches of £14 million and £10 million in loans, were given to De Lorean by this Government. If the master agreement was weak, as suggested by the PAC, and the monitoring of the cash flow was not satisfactory, well, as the PAC said in paragraph 52:

"It is a matter of great concern to us that, on each occasion when Mr. De Lorean was seeking additional funds, no attempt was made to amend the master agreement to establish effective safeguards."

Why then did not those Conservative Ministers get a grip on the situation? They had the opportunity to tighten financial control of the De Lorean enterprise, and also to slow down production in keeping with the market. I believe that De Lorean Motor Cars Ltd. could have been saved. The Conservative Administration were lax in their handling of the affair, and I am sorry for all those who lost their jobs and hope for a decent future as a result of that lackadaisical approach.

[Mr. Mason]

May I say to all the officials who were involved at that exacting and exciting time that it was worth doing; it was worth fighting for. They need have no sense of shame. They did a remarkably fine job and it cannot be taken away from them—or John De Lorean. I echo very firmly the PAC's view:

"We wish to record that those involved have a number of positive achievements to their credit, many of which reflect well on Northern Ireland as a location for new industry. They built a modern automobile plant on a green field site, developed and produced a new car of acceptable quality with labour new to the industry and using new methods for mass producing fibre glass body shells. They employed 2,600 people at peak production, and established a distribution network throughout the United States, all in 2½ years."

By any standards, that was a major achievement.

Therefore, my right hon. Friend the Member for Mansfield and I regret that we had to leave before the factory was built and the product launched—and even before hardly any money was spent. But we are both of the opinion that, had we stayed on, with our keen interest in the project, allied with the political will to succeed, De Lorean motor cars would still be coming off that production line in west Belfast.

5.23 pm

Mr. J. Enoch Powell (South Down): The Northern Ireland contribution to the debate ought properly to have been made by my right hon. Friend the Member for Lagan Valley (Mr. Molyneaux), since the De Lorean factory was at all material times situated in his constituency, first as the Member for Antrim, South and now as the Member for Lagan Valley. The fact that it is invariably referred to as being in west Belfast is not without its significance in a context to which I will come in a moment. However, there is no need for me to convey the apologies of my right hon. Friend, especially — as I said yesterday — during an election campaign, since the Government have generously expressed their regret that no Northern Ireland Member was consulted before this matter was put down for debate today.

In one sense the debate is a churning up of the past, and the Minister is entitled to quote from the memorandum the specific statements of the Government that such a project and such a policy as this would not at present be entertained and lie outside the principles and guidelines which are now followed in the Northern Ireland Administration. In that sense it could be argued that the lesson has been learnt, but I am sure that the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), the Chairman of the Public Accounts Committee, would have been doing less than his duty if he had not obliged the House, upon this opportunity, to confront the misjudgment which occurred in 1978.

I apologise to the right hon. Member for Barnsley, Central (Mr. Mason), who has just made a remarkable political speech which revealed the sense of the speaker that he was on a defensive brief. It was well done, but those who read between the lines would come to the conclusion that there had in fact been a major error of judgment committed at the inception of the project.

What we have to account for is that Ministers, civil servants and Cabinets entertained a proposition which, upon the face of it, was positively hair-raising. They entered into an agreement which gave the authority and all the money into the hands of someone who was committing nothing. They were confronted with a personality who, to the most ordinary psychologist, would have been recognisable as a manifest shark—something which has been amply borne out in the succeeding years.

Those of us who watched the events at the time could scarcely believe our ears when we heard the terms of the agreement and contemplated the individual and the boasts of the individual with whom the agreement had been made. So we still have something to learn from considering how it was that a misjudgment of that scale, with such disastrous consequences, was made.

The Public Accounts Committee is, in a sense, debarred by its terms of reference and procedure from placing its finger upon the essential cause of the disaster, for, in its own words,

"the Committee do not seek to question the merits of Government policy objectives".

Unless Government policy objectives are questioned, and unless the analysis and the motives of the Government are questioned, we shall not be able to understand what happened. Certainly the memorandum was right in saying that it was essentially a political decision. Paragraph 3 of the memorandum says:

"The Government decided as a matter of policy that the potential economic and social benefits justified taking the risks".

Or, perhaps more significantly, as the Public Accounts Committee quotes from McKinsey in paragraph 18:

"the political and image benefits to be derived from the DMC project would have to be very substantial".

It was in the light of political and presentational or image considerations that Ministers and their advisers were prevailed upon to enter into an almost unimaginable contract which had foreseeable results.

I want to point to what, in my opinion, is the essential error in that political and presentational analysis. The word "image" in the sentence which I have just quoted is important, because what was done was done not only for results but for public consumption. It was done in the hope, no doubt, of its outcome. However, it was also done for show and to be shown off in certain directions.

The fundamental error is a wrong attribution of the relationship of cause and effect between violence and unemployment. This was highlighted by the right hon. Member for Barnsley, Central, who quoted a trade unionist who had said that an operation of this sort would help to "destroy the IRA." It is a total misunderstanding — a misunderstanding which is degrading in its character — to confuse terrorism with economic conditions, to suppose that nationalism and unemployment can be traded off one against the other, and from that to conclude that, somehow, one can buy out nationalism by offering economic advantages, or draw the teeth of the terrorists' pursuit of a political objective by investing in the areas from which they draw their strength.

It was that mistaken notion, that hysterical approach to Northern Ireland and its predicament, that created the frame of mind in which Ministers as sage and balanced as the right hon. Member for Barnsley, Central and the right hon. Member for Mansfield (Mr. Concannon) could, in good faith, make so grave a miscalculation as this. They have stressed the level of unemployment in Northern Ireland, but a high level of unemployment calls not for high risk but for more jobs. To state that unemployment is high in an area is not to justify the investment of money at greater risk than would have been judged wise in other

circumstances. Indeed, those are the very circumstances in which one ought to be especially sure that the investment will be realised in terms of jobs.

The level of unemployment is no justification for risk taking; but always it comes out in the phraseology that there was that other factor, the factor referred to by the usual periphrasis as "security" — the notion that if additional employment could be brought into west Belfast, that in itself would be a pacifying factor in the circumstances of Northern Ireland. In the end, we had neither. We had the consequences of a miscalculation in the temporary creation of about 2,000 jobs, the loss of those jobs and great dismay and discredit over a wide area; and we gained nothing in the direction in which it was hoped gains would be made.

I have stated what I believe to have been the root cause of this astonishing misjudgment. In order to complete that argument I would, strictly, need to replace the false picture with what I regard as the true analysis of the causes and nature of the situation in Northern Ireland. However, we are discussing in much more narrow terms the report of the Public Accounts Committee and the De Lorean fiasco. Therefore, I shall limit myself to saying that a political misjudgment was motivated less by consideration of the high level of unemployment than by consideration of the security situation, founded upon a profound and dangerous misconception of cause and effect in Northen Ireland.

5.34 pm

Mr. Nicholas Winterton (Macclesfield): I am very pleased to participate in this short debate. As has already been said, I have had a personal interest in the matter for some time.

May I congratulate, as other hon. Members have done, the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) on the very competent way in which he presented his Committee's report and its conclusions. May I also congratulate his Committee upon its conclusions, many of which now appear to have been accepted by the Government, albeit at a late stage. I regret that the terms of reference of his Committee did not allow it to go further than it was able to go.

I endorse the sentiments and views expressed by the right hon. Member for South Down (Mr. Powell) about this affair, but I was somewhat surprised by the speech of the right hon. Member for Barnsley, Central (Mr. Mason). He seemed to be trying entirely to jutify the actions for which he and his Government were responsible. In doing so, he endeavoured to unload the entire blame upon the incoming Conservative Government of June 1979. If the right hon. Gentleman had investigated the career of Mr. De Lorean from his youth to his General Motors days, he would have discovered that he was responsible for so many crooked deals that it would not have taken him long to come to the conclusion that he should not be backed, had there not been, as was pointed out by the right hon. Member for South Down, very important political implications in the decision which his Government were taking, since it was envisaged at that time that there might be a general election in the autumn of 1978 and that the provision of jobs in west Belfast might be of political advantage to the right hon. Gentleman and his Government.

Mr. Mason: It is absolute nonsense to think that in the autumn of 1978 or in the spring of 1979 we were thinking in terms of a general election. We had been working on the plan to attract investment to Northern Ireland for the previous 12 months. Furthermore, the hon. Member for Macclesfield (Mr. Winterton) was involved in the character assassination of John De Lorean well after the deal was made. Prior to the deal being made with John De Lorean there was no evidence whatsoever of any bad dealing by that man. He had been the vice-president of General Motors for 17 years.

Mr. Winterton: I can only say to the right hon. Gentleman that he should consult some of the motor manufacturers and others who are involved in the motor industry, not least the editor of the *Detroit News*. I am sure that that gentleman, and others, would give him the kind of evidence that I have briefly outlined. As many hon. Members will be aware, I cannot be totally objective about this matter.

As a Member of Parliament, I was responsible for producing and bringing before the Government real evidence of abuse of public funds. I brought it to the attention of the present Prime Minister. Unfortunately, that information was ignored by the Government and their agencies for what I can only describe as political expediency. I make that indictment of the present Government, just as I indict the right hon. Member for Barnsley, Central for his lack of knowledge in doing a deal and jumping rather hastily into bed, metaphorically speaking, with John Zachary De Lorean.

I pay tribute to a colleague in the right hon. Gentleman's party, Mr. Bob Cryer, the then hon. Member for Keighley. Mention has already been made of my hon. Friend the then Member for Knutsford, now Lord Bruce-Gardyne. Also, I pay tribute to my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen), who in this House sought time and again to bring the Government to their senses in their dealings with John Zachary De Lorean but, sadly, all to no avail.

It is significant that when I gave my Government ample evidence of the abuse and misuse of public funds they refused to act. Initially, they set up a police inquiry and police officers came to see me in my home in Cheshire. I released to them documents that had been presented to me by John Zachary De Lorean's personal assistant, who is a British citizen. I did not consider myself an expert in these matters and, therefore, I handed the documents to the highest office in the land, through representatives of the fraud squad of the Metropolitan police.

The matter was taken even further because police officers were sent to the United States. They were about to meet one of the most vital witnesses, Mr. William Haddad, a senior executive of the De Lorean Corporation, when, for some extraordinary reason that has never been explained, they were summoned back to London to report. Mr. Haddad could have confirmed in considerable detail the outline of abuse contained in information that I had given and in the many papers revealing the lifestyle of John Zachary De Lorean.

I should say to the right hon. Member for Barnsley, Central (Mr. Mason) that the one person who took advantage of the Concorde programme, which the right hon. Gentleman ran down, was John Zachary De Lorean. He did not travel cheaply at the United Kingdom taxpayers' expense. He travelled by Concorde, and perhaps the right hon. Member for Barnsley, Central should have directed his attention to that fact in his lengthy

[Mr. Winterton]

speech. Mr. De Lorean was supposed to be in charge of the company, yet he never spent a night in Belfast. He went into Belfast and flew out again as fast as he could. He spent British taxpayers' money as if it were confetti.

The right hon. Member should consider the evidence that has subsequently emerged about Mr. De Lorean's lifestyle—the pictures and works of art that he bought and the fact that cleaners in his Manhattan office complained that they could not do their work because of the clutter of expensive works of art and paintings that he had purchased in this country with British taxpayers' money.

If we want to get jobs into Northern Ireland, we must do business with people who are honourable. This man was certainly not honourable, as would have been revealed if his career and pedigree had been looked at in depth before the agreement was signed.

It is sad that I have to indict Governments with dishonesty and duplicity and that I have to indict individual Ministers with incompetence and, at best, apathy in dealing with this affair. Evidence was presented to the Prime Minister, and the Attorney-General was involved. I had a personal interview with my right hon. Friend the Prime Minister in her drawing room in Downing street. I wanted to take my solicitor with me—as a friend and not in an official capacity—but I was not permitted to do so. When I arrived at Downing street, I was faced not only by the Prime Minister, who clearly knew little about the matter, but by the Attorney-General and the Prime Minister's private secretary and her parliamentary private secretary. It was a lovely four to one situation.

When I put questions to the Attorney-General or to the Prime Minister, she referred them all to the Attorney-General and he replied as if he were some sort of dalek. He said that there was no evidence of criminal abuse. I had never said that there was. I had alleged that there was a massive abuse of public funds. That was my allegation.

I believe that my actions were justified a[illegible] honourable when I brought matters to the attention of the holder of the most powerful office in this country. Parliament was not sitting and I was unable to use parliamentary privilege to raise matters, and subsequently I faced a suit for defamation from Mr. De Lorean and his company for $250 million, which at that time was the equivalent of £133 million. I was being sued for doing no more than my duty.

The right hon. Member for Barnsley, Central has tried to establish that what he did in respect of the agreement with Mr. De Lorean was his duty as a Minister trying to reduce unemployment. I accept that it is a Minister's duty to reduce unemployment, though I believe that what the right hon. Gentleman did with Mr. De Lorean was wrong, and I hope that the right hon. Gentleman will agree that I acted correctly when I was given evidence which I believed merited further investigation by those who had the expertise to deal with it.

I acted confidentially. I was subsequently identified by Miss Marion Gibson, who was a member of Mr. De Lorean's personal staff, to a journalist in America. Therefore, I was obviously pressed to make some comment to the media in this country. The right hon. Member for Barnsley, Central sought to justify his actions, and I hope that he will agree that my actions were both correct and honourable.

Where were the Government in supporting an hon. Member who had revealed what the PAC calls a "massive" abuse of public funds? Did they want to know me? Were they prepared to assist me? The answer is no. Governments in this country are on trial for the way in which they are prepared to deal with people who seek to help them.

I have nothing to lose in this matter. As many hon. Members know, the action by Mr. De Lorean and his company against me was struck out. In front of a master in the High Court, I was awarded £15,000 for defamation against Mr. De Lorean who had made some unjustified remarks about me. I am glad that the right hon. Member for Barnsley, Central is nodding in agreement. I will not see a penny of that £15,000 because of Mr. De Lorean's superficial insolvency, though it is interesting to see that he was released—on a technicality, in my view, because of the blunderbuss tactics of the FBI—during his drug trafficking court case. In every way, in my view, he was absolutely guilty and was trying to get money to buy himself out of trouble, which was typical of what he had done all his life.

I was faced with massive legal fees and the Government did not want to know. I am convinced that if I had lost there would have been a number of smiling faces in the Cabinet. They would have said, "One inconvenient nuisance out of the way." That is not the way for a Government to act. They were dishonourable in disowning a colleague who had done a service to this country. I am not being immodest about what I did, because I did what I believed to be right.

The Attorney-General did not want to know. He kept replying to my questions by saying that there was no evidence of any criminal misuse of public funds. I had never made that allegation. The PAC said:

"While we consider that the De Lorean plans were impracticable from the start, it has been argued by both Sir Kenneth Cork and McKinsey that a less ambitious operation aimed at producing under 10,000 cars a year, mounted with an eye for strict economy"—

clearly the right hon. Member for Barnsley, Central would not agree with that—

"and without the massive misappropriation of funds which took place, might have succeeded".

That is what I said six months before the receiver was called in, but the Government took no action and did not want to know. Indeed, I believe that more funds were advanced to the company before it went bust.

The report continues with the passage quoted by the right hon. Member for Ashton-under-Lyne:

"The blame for this lies principally with Mr. De Lorean personally, but hardly any of those who dealt with him on behalf of the British taxpayer at a high level can escape substantial blame or criticism for their failure to prevent a major waste of public money."

How did Mr. De Lorean spend all that money and why was no action taken? I hope that my hon. Friend the Minister will tell us how many people, if any—and who they were—lost their jobs as a result of the incompetence and the squandering of taxpayers' money involved in the De Lorean affair.

I could tell the House many things about this case, but unfortunately it would do nothing for the image of Parliament. Mr. De Lorean was clearly concerned only with his own image in reaching a deal with the British Government. I am sad that certain of my right hon. and hon. Friends who served as Ministers in Northern Ireland—for instance, my hon. Friend the then Minister of

State, now Minister of State for Defence Procurement, did not come clean about this. Mr. De Lorean browbeat the then Minister of State with telephone calls urging him to "stop that man in London saying those things." Ministers must have known what was going on. It is a pity that they were not prepared to act or to take a parliamentary colleague into their confidence and say, "We cannot say this publicly, but we assure you that we are taking action and that these matters are being investigated." The Government stand rightly indicted for apathy, incompetence and wasting public money, although I am a little reassured by the fact that certain new criteria have been laid down by the Government to try to prevent a recurrence of this kind of abuse.

I have one further question for my hon. Friend the Minister to answer when he replies to the debate, as this information was not given by the right hon. Member for Barnsley, Central. I should like to know just how much finance Mr. De Lorean put up front. He was supposed to put up a substantial amount. The right hon. Member for Barnsley, Central referred to some 120 investors from America, mainly from New York, but how much of that money was ever actually put up? I do not believe that Mr. De Lorean put up more than about $750,000 himself, although he should have put up 10 times that amount to match the money provided by the British Government.

The House should be ashamed of Government for what Government have done with taxpayers' money. I pay tribute to the right hon. Member for Ashton-under-Lyne and to members of the Committee for the extremely hard and detailed work that they put into producing the report. I only wish that the baseline for what they were able to do had allowed them to make deeper, more relevant inquiries as to why this occurred and who was to blame so that action could be taken against those responsible for one of the most flagrant and massive abuses of public funds. The right hon. Member for Barnsley, Central talked about bringing jobs to Northern Ireland, but I bet that the basis of any agreement with any of the other companies was not that agreed with John Zachary De Lorean, who is about to make about $1,500,000 from sales of his memoirs.

I tell Mr. De Lorean from this Chamber that if he ever sets foot on the shores of the United Kingdom a writ will be slapped on him for the money that he owes me.

Mr. Latham: Hear, hear.

Mr. Winterton: I am grateful for the support of my hon. Friend, who served on the Committee and played a major part in its inquiries.

I hope that the Government will give an assurance that if Mr. De Lorean ever sets foot in this country he will be arrested and that any assets that can be taken by the Government will be taken. It is possible that his book will be brought out in this country. That may help to repay some of the debts that this man owes not only here but in America and in many other parts of the world. Am I to have the assurance that the Government will have him arrested and take any resources that they can take from him? I believe that assurances to that effect will allay some of the fears of the people of this country who feel desperately let down because money has been poured down the drain.

The right hon. Member for Barnsley, Central should be aware that I am extremely sorry for the people who expected long-term employment rather than employment merely while it suited Mr. De Lorean, who always intended to walk away from the project. I am sorry for the work force of 2,600 in west Belfast and elsewhere. Those people were let down, and the taxpayers of this country were also let down, but those responsible have remained completely unpunished and it is time that they received their just desserts.

5.55 pm

Mr. William O'Brien (Normanton): The hon. Member for Macclesfield (Mr. Winterton) has asked the Government for an assurance that if Mr. De Lorean sets foot in this country he will be arrested. Having listened to the hon. Gentleman's speech, I believe that some members of the Government, including the Prime Minister, should also be arrested, in view of the way in which they ignored the hon. Gentleman's advice and his requests for action to be taken against De Lorean. The hon. Gentleman should pursue the matter further, because if his comments are justified those people should certainly be arrested.

If the comments of the right hon. Member for South Down (Mr. Powell) in reply to my right hon. Friend the Member for Barnsley, Central (Mr. Mason) about there being no justification for entertaining an enterprise of this kind in Northern Ireland are correct, perhaps he will tell us where that is recorded in the *Official Report* before the transaction got under way and the main contracts were signed. One would expect a Member of Parliament with the experience of the right hon. Member for South Down to have made his views known before the event, rather than merely criticising it afterwards.

My right hon. Friend the Member for Barnsley, Central tried to explain his position. As a member of the Public Accounts Committee, and even in local government, one of my main objectives has been to find ways of saving public money, and I hope to continue that in the House. There are lessons to be learnt from the investigations that have been carried out. The fact that the Government have accepted the main recommendations in the report gives some satisfaction to members of the Committee, who spent many hours asking questions, reading documents and producing the report. That acceptance is pleasing to note and it is some reward for the work done.

The De Lorean affair is a matter of great interest because of the amount of money involved and the way in which it was spent. It is clear from the volumes of evidence that we obtained that when the matter was first considered it was with the good intention of trying to reduce the alarming rate of unemployment in west Belfast, which was running at twice the national average. The way in which the project was presented to Ministers and officials at the time suggested that it provided a real opportunity to create jobs by building a type of sports car which, it was said, was in demand at that time.

The negotiations took 45 days. There is no doubt that, following them, De Lorean walked away with the deal of a lifetime. It was what he wanted—it was more than he expected to achieve. It was more money than anyone offered out of Puerto Rico or Ireland. He created new hope of employment for the people of Northern Ireland. My colleagues can explain better than I that people had grown up, married and had children without ever having held a job. The possibility of a motor car factory in Northern Ireland gave new hope and the possibility of a new way of life to those people. They thought that they would be able to buy things which they had never been able to

[Mr. William O'Brien]

afford. Their social life changed. They were able to go out with the family and to afford holidays—something that had never happened before. There was a genuine belief that a motor car factory would be developed in Northern Ireland.

The evidence makes it clear that soon after the scheme had been put forward the gratitude of De Lorean evaporated. I understand that he made scathing remarks about the British Government and officials in Northern Ireland. His interest waned. On more than one occasion he said that the British Government would receive only the information that he wanted them to receive. He could not care less about the work force in Northern Ireland.

It is obvious from the evidence that he was advised of the difficulties with some of the monthly and long-term budgets, but his attitude was "If we have overspent the budget, adjust it." There was a total disregard of warnings. We have been told that he spent the money given to him by the British Government on high-class furnishings, works of art, Mercedes cars and his private business ventures. There were people on his payroll who were not actually employed in the industry. The evidence shows that that character was not interested in the developments in Northern Ireland—he wanted to develop a lifestyle which was open to many questions.

There was a genuine attempt to reduce the number of people out of work in Belfast. I understand that to begin with 600 people were taken on, and it was believed that one year later that figure would rise to 1,000 and two years later to 1,500, with a proposal to increase the labour force even further as time passed. The evidence shows that the increase in production meant a surplus of cars. Indeed, the quality of the cars left a great deal to be desired.

There is also the question of the "walkabout" £10 million paid to Lotus. It is possible that that amount was paid twice. No one can trace where that payment went. Press reports say that De Lorean claimed that he was swindled by Mr. Chapman of $17·65 million. That can never be proved, but De Lorean sticks to the argument that he was conned. We must consider that very carefully.

Mr. Latham: We must get the matter fairly on the record, because the hon. Gentleman may have slipped up in the way that he presented it. Wherever that $17·65 million went, it was not to Lotus.

Mr. O'Brien: De Lorean claims that he paid twice that amount. We can never prove that. The report states that there was an approach to Lotus from De Lorean and that its services were secured. It is against that background that De Lorean claims that payment for the services of Lotus was made twice. That will never be proved.

The contract for $5·15 million with GPD was open ended. There are many questions to be answered, as it was a major transaction with no real contract. I hope that the Government will note that. The accountants studied the matter in detail and their conclusions are listed in the report. I hope that that will influence any further contracts into which the Government may enter.

There is a question about the future troubles of De Lorean. The Government must pursue the claim for $17 million. It is said that this sum has been repaid, but a great deal more has yet to be recovered. I hope that the further repayment will be pursued by the Government. I hope also that the PAC's observations will be in the Government's mind constantly and that every effort will be made to ensure that problems of a similar nature do not recur.

The British Government had two nominee directors on the De Lorean board and it is vital to lay down the duties of nominated directors. As the Minister said, if a nominated director cannot report back to the Government, he should resign. We questioned the directors on the procedures that were implemented when board meetings took place. We were advised that De Lorean called meetings at short notice and that on occasions relevant information was put into the hands of directors only as they arrived for the meetings. Reports were made available at short notice and board members did not have the opportunity to discuss them. They did not have the opportunity properly to make representations.

We questioned the directors on the nature of the reports that were prepared by the company and on the minutes that were produced. We were advised that the reports and minutes were brief and included little detail. In other words, there were inadequate reports of board meetings. I remind the House that John De Lorean said that he would allow the Government to have only the information that he wanted to let them have. That suggests that he was not prepared to supply the Government with proper information.

We must take cognisance of the way in which minutes of meetings and agendas were produced and submitted. If the Government are to place nominee directors on boards, there must be an awareness of the procedures that will apply and the way in which they will be implemented. If the procedures are not in keeping with good practice, we should be informed and we should take steps to ensure that the problems that accompanied the De Lorean project do not recur.

The report highlights deficiencies in contract arrangements, in negotiations and in the examination of those who would be involved in commercial transactions. It is encouraging to know that the Government are prepared to accept the Committee's recommendations, in the hope that we shall not be faced with similar problems. Of course, this is not the first PAC report to be accepted by the Government. The Committee's reports have helped to develop a better understanding of the way in which public money should be spent.

I hope that the De Lorean experience will not lead the Government to deny further investment in regions of the United Kingdom where there is high unemployment. There must be public investment. I hope that the Minister will give an assurance that the Government will include the areas of high unemployment in the north of England in a programme of public investment to help to reduce unemployment. The De Lorean experience should not influence them to restrict or deny further public investment.

6.15 pm

Sir Michael Shaw (Scarborough): I shall speak only briefly, in view of the time. I agree with the hon. Member for Normanton (Mr. O'Brien) that we should not seek to deter proper investment to give assistance to the areas which need it most, especially those with long-term unemployment. Investment is one of the solutions to that problem. However, money that is spent unwisely is money that is not available for the very wise investment that the hon. Gentleman seeks. It is essential that money that is put

aside for investment is seen to be used properly and for the long-term advantage of the nation. That must be one of our continuing concerns when examining these matters.

I add my congratulations to those which have already been offered to the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), the Chairman of the Public Accounts Committee. The report is one of the most important that the Committee has produced for many years. There is some real meat in it, which should be eaten and digested by Governments of all complexions. That applies especially to the sections of the report relating to nominee directors. Too often in the past such nominations have been made as sinecures for those who have done good service or as a sop to public opinion. On occasions it has been said, "Do not worry. We have a couple of nominee directors on the board, so everything must be all right." Nominee directors carry a grave responsibility, and the Committee is continuing to address itself to their role.

I do not believe that the Committee tackled its task lightly, and nor did we deal with it superficially. The right hon. Member for Ashton-under-Lyne referred somewhat derisorily to the part of the report which suggests that the De Lorean project was one of the gravest examples of the misuse of public resources to appear before us for many years. Perhaps his derision was directed to those who allowed it to take that course. I consider the suggestion that the project was one of the gravest examples of the misuse of public money to be absolutely true.

Bearing in mind the time, I shall confine myself to one issue only. It has rightly been said that the Committee does not deal with political decisions. The Committee examined the facts as far as it was able to do so, but any debate in the Chamber must embrace the consequences of the report and their effect on Government action.

The original decision to establish De Lorean in Northern Ireland was taken after consultation with various people, including the Industries Development Advisory Committee. The Comittee was consulted, and it was told that because of the shortage of time there would have to be a political decision. In other words, it was thought that the Committee should not pronounce upon it. Mr. Bloomfield was the permanent secretary at the time of the Committee's inquiry but not at the time of the events with which we were concerned. When I was questioning him on these matters, he said:

"They said essentially"—

that is, IDAC—

"'You tell us that you are going to have to make a judgment about this within a very limited timescale. It really is going to be difficult, almost impossible, to thoroughly appraise this as a commercial proposition in that time scale.'"

Mr. Bloomfield was paraphrasing what the IDAC had been saying. He continued:

"Therefore there is really nothing useful we can say to you."

Mr. Bloomfield is there referring to the Government. He added:

"'It is going to have to be in essence a political decision as to whether you accept these risks or not.' That was the status of the IDAC involvement."

No commercial disciplines were set within which the Government could make a decision. Of course, there was the McKinsey report. McKinsey was working on the scene at the time, and was asked to produce a quick report. But it is notable that in one report, McKinsey said:

"Six days is clearly inadequate for a serious evaluation of a major investment."

I criticise McKinsey for the fact that it simply pointed out four main risks. It admitted that during the time available it could not evaluate those risks. The company proved to be exactly right about those four areas, but the size of the risks was not known because there was no time to examine them in detail.

I fully understand the great difficulties and pressures faced by Mr. Bloomfield and by the right hon. Members for Barnsley, Central (Mr. Mason) and for Mansfield (Mr. Concannon). However, if money is to be well spent, harsh though it may be, decisions must be taken within the commercial discipline laid down at the time.

Mr. Concannon: Would the hon. Gentleman care to reflect on other Select Committee reports, notably one from the Select Committee on Trade and Industry? Many other decisions made in Northern Ireland at the same time have been extremely beneficial to the Province.

Sir Michael Shaw: I do not have in front of me any documents to show the parameters of the risks involved and the commercial judgments which formed the basis of advice given to the Government at the time, so I am afraid that I cannot. I am now looking to the future. The main purpose of the Committee's inquiry was to find out how to do things better in the future. The £77 million that we wasted on that venture was not available for another venture which might have been of long-term benefit to the Province.

One of the most important points made by McKinsey was that we should not be rushed into a decision. Anyone connected with business will know that the best way to get someone to do what one wants him to do is to rush him. Do not give him time to think. Say things like, "Someone else wants the job and this is your only chance." It is the commonest sales trick in the world and, whatever the motive, we should not have fallen for it, especially as we were using public money. As the right hon. Member for South Down (Mr. Powell) said, we must also assess the man. The wrong assessment was undoubtedly made in this case.

After a decision is taken, there should be a clear understanding of how the project should progress. If things go wrong, we must be prepared to turn off the taps as quickly as possible. It is easy to be jollied along for years with people saying, "Just give me a little bit more to keep it going."

I could have said many things about this matter, but I wished to emphasise those points strongly this evening.

6.24 pm

Mr. George Park (Coventry, North-East): It was inevitable and right that the Public Accounts Committee should investigate what has been described several times today as

"one of the gravest cases of the misuse of public resources to come before us for many years."

But, given the circumstances, it was essentially a stirring of dead ashes, with the added ingredient of Northern Ireland, which in addition to all its other troubles has the highest unemployment in the United Kingdom

Ministers and officials, who may be discomfited by the stringency of the 25th report and by the fact that the PAC has the benefit of hindsight, clearly approached the De Lorean project as they would a normal project, but John De Lorean is not a normal person, and the circumstances in Northern Ireland are not normal. They were led like lambs to the slaughter. It did not help the unemployed to have public money intended for their assistance siphoned

[Mr. George Park]

off by a con man. He immediately put officials of the Department of Commerce under pressure by requiring decisions in principle in just more than a fortnight, on the basis that offers of assistance from other places had already been made. He omitted to mention that the Republic of Ireland had already withdrawn its offer, and that he was in difficulties with the offers from Puerto Rico, Detroit and elsewhere.

The project was outlined on 8 June 1978. By 29 June a joint team from the Department of Commerce and the Northern Ireland Development Agency had visited Detroit to make further inquiries and to be impressed by a stage-managed presentation. But the team made no inquiries of American banks, financial institutions or automobile companies about the De Lorean project.

Mr. Concannon: That is simply not true. Many inquiries were made. I must stress that during all those inquiries of individuals and institutions not a wrong word was said about De Lorean. I can assure my hon. Friend that I looked in some strange places.

Mr. Park: I respect my right hon. Friend's sincerity, but I should tell him from my experience of 25 years in the motor industry that no one would have told him anything detrimental to De Lorean, because they wanted shot of him. I am afraid that my right hon. Friend was hoodwinked. I am not here to pick holes in former Ministers or officials. They approached the matter normally, as though it were a normal project. However, as the PAC went through the mountains of evidence, it became clear that it was a completely abnormal position, revolving around an abnormal man.

The Department of Commerce commissioned McKinsey to assess the risks, but then accepted the assurances of De Lorean rather than the McKinsey report, which had put its finger on most of the main weaknesses of the project, especially the fact that it depended largely on one man—John De Lorean. That was the fatal flaw in the scheme. Under his sustained pressure, it had taken only 45 days to reach an agreement which required little or no financial commitment from him and an initial £54 million, later £77 million, from the Government in grants, equity and loans.

The PAC report states:

"the prospect of creating large-scale employment in West Belfast proved so irresistible to DOC as to diminish its sensitivity to the commercial risks involved".

Even then the project might have become viable, because in five months the factory had been completed and equipped and production started. However, despite its long gestation period in the United States, further research and development were needed. This was to be done by Lotus Cars, through a Swiss company, GPD, for a fee of £6·25 million, approximately. Additionally, De Lorean Motors paid GDP/Lotus a further £11·5 million for alleged development work, and that was paid in advance. Subsequently, it was found that none of the initial sums paid to GDP had been received by Lotus.

Through his team and the co-operation of the work force in west Belfast, De Lorean had kept to the promises made to the Government about the start-up of the project and the employment of labour. That was no mean achievement, but it could not sustain the financial needs of John De Lorean himself or the high salaries of his basic team. The whole thing was expanded well beyond its capabilities. At the same time, officials of NIDA and nominee directors were finding increasing difficulty in pinning down De Lorean on either information or his various financial transactions.

The PAC has not finally completed its report on the De Lorean saga. Loose ends remain which I doubt will ever be tied up. The lessons to be learnt are that officials must always insist on technical assistance in areas outside their competence when in negotiation, that financial agreements must be tightly drawn and that monitoring in cases where assistance has been given must be strictly maintained. There must be further clarification of the role of nominee directors.

As in the case of De Lorean, charisma must not be allowed to blind officials or Ministers to the hard financial realities. I am pleased to note that the recommendations made by the PAC have been accepted by the Minister, but, as has been said, I would not want the De Lorean experience to deter further Government investment to ease the problem of unemployment.

6.34 pm

Mr. Michael Latham (Rutland and Melton): The main problem in dealing with the De Lorean scandal is the vast amount of material that is available. Some of the world's most determined and expert financial wizards are still pursuing the missing millions that went walkabout. The PAC report is full of essential detail. I shall concentrate on five basic questions. First, should the project ever have been allowed to go ahead? Secondly, could it have been stopped? Thirdly, did the Government-appointed directors do their job? Fourthly, was GPD a rip-off? Fifthly, who was to blame?

First, should the project have been given the go-ahead? As has been said several times, we can all understand the humane motivation of Ministers in 1978. A charismatic superstar rode out of the west offering 2,000 jobs in one of the worst unemployment areas in Europe, which was also plagued with terrorism. We now know that he was not adequately checked out personally. We know that Northern Ireland was his fourth choice. Indeed, that was also known at the time. He hustled the Department into much too quick a decision. The Government's own business watchdog, the Industries Development Advisory Committee, washed its hands of the matter, and turned the decision over to the politicians.

The McKinsey report, commissioned by the Government, sounded a grave warning. Sir Lindsay Ring, a member of the NIDA board, told NIDA at the time that it had neither the time nor the information to decide whether the project would work. The master agreement was much too generous to De Lorean; it allowed the New York company to call the shots from the start. There was no independent engineering approval.

In that regard, it is worth contrasting the tone of what Ministers said to the House at the time with what witnesses told the PAC. For example, the then Under-Secretary of State for Industry, Mr. Les Huckfield, told the House on 14 February 1979 that the Secretary of State for Northern Ireland had kept the Secretary of State for Industry

"informed at all stages and consulted my Department as appropriate."—[*Official Report*, 14 February 1979; Vol. 962, c. *564*.]

On 5 March, the right hon. Member for Mansfield (Mr. Concannon) repeated:

"The Department of Industry was fully consulted . . . detailed technical assessment of vehicle prototypes was not considered to be a necessary requirement".—[*Official Report*, 5 March 1979; Vol. 963, c. *587*.]

Both, of course, were saying what they had been perfectly properly advised.

On 23 November 1983, Mr. Ken Bloomfield, the permanent secretary, told the Select Committee that the Department of Industry had not offered any assistance with an engineering evaluation, that it had not been asked for it and that it probably would not have been able to provide one anyway without calling in outside experts, for which there was no time. The project should never have been allowed to go ahead on that basis. We all know that to be true, and it is implicitly accepted in the second lot of replies from the Northern Ireland Office to the Committee a few months ago.

My second question is: should the project have been stopped or the master agreement renegotiated during the work? It could have been killed off by the incoming Conservative Government. Mr. Jock Bruce-Gardyne, then the hon. Member for Knutsford, asked about that in the House on 26 July 1979. My hon. Friend the Member for Pudsey (Mr. Shaw), who was then Under-Secretary of State, Northern Ireland Office, replied that the Government had

"made clear their intention to continue to support the De Lorean project, and there is no question of terminating their contracts with the company."—[*Official Report*, 26 July 1979; Vol. 971, c. *436*.]

However, nothing happened after the meeting on 27 September 1979 between NIDA, Mr. De Lorean and Mr. Cafiero, at which Mr. Faulkner and Mr. Hopkins of NIDA were very critical of the financial control of the company and of the extravagance in New York. Nothing happened after the highly critical NIDA board meeting of 19 December 1979, except that it took the chairman, Mr. Faulkner, a month to write another highly critical letter to Mr. De Lorean. Nothing happened after 27 June 1980, when Mr. Hopkins of NIDA telexed Mr. De Lorean telling him that the company must live within its means.

The following month Mr. Hopkins even temporarily cut off the funds, and in the summer of 1980 directors of De Lorean Motor Cars Ltd took legal advice to see whether they could legally continue to trade because Government finance had been temporarily held back. By that stage Mr. Hopkins himself, the chief executive of NIDA, and a member of the De Lorean board, had come to the conclusion, which is in the report, that the nominee directors were powerless, that the master agreement must be renegotiated and that that could be done only the next time De Lorean asked the Government for more money.

On 28 July 1980 Mr. De Lorean restructured the DMC board in New York and put his wife on it without telling the nominee directors. He then bypassed NIDA and got another £14 million out of the Secretary of State without the master agreement being renegotiated and without NIDA being present at the meeting on 5 August, despite a specific request by Mr. Hopkins that he should attend. In my view, that was the crucial opportunity—which was, alas, missed—to rein back the project. After that it was all downhill, with more good money being thrown after bad throughout 1981 until the final debacle of early 1982. It could have been stopped. The agreement could have been renegotiated. For perfectly honourable reasons it was not, because of the existing financial commitments, and the wish to preserve jobs and prevent more disorder in Northern Ireland. The opportunity was there, and it was not taken.

Thirdly, did the nominee directors fail in their duties? The answer is clearly yes, and it is both implicit and explicit in their testimony and in the report. None of them resigned despite their continuing dissatisfaction with the way in which Mr. De Lorean treated them or his contemptuous response to their pleas for more economy or better financial control. They come badly out of the PAC inquiry, and none of them should ever be used by the Government in such a capacity again.

Fourthly, can there be any honourable explanation of the GPD affair? I fear that it was a deliberate rip-off from the start. There is no other credible explanation. A few facts are clear. Mr. De Lorean and the late Mr. Colin Chapman already knew each other and they did not need Mr. and Mrs. Juhan, trading as GPD, to bring them together. Indeed, De Lorean had previously discussed buying Lotus with British taxpayers' money. The ostensible reason for the GPD arrangement was to distance Lotus from possible American liability and warranty claims and to protect it from the new Conservative Government cancelling the De Lorean project. The agreement was worked out in Geneva in November 1978 by De Lorean and Chapman. The DMC board was told that the agreement was to deliver the services of Chapman and that he wanted it that way. In fact, it illegally delivered $17·65 million of American investors' and British taxpayers' money. None of it went to Lotus.

Since Lotus was not paid twice for the work that it did on the car, regrettably it must by said that Colin Chapman could not have told the truth to the receiver, Sir Kenneth Cork, in November 1982 when he denied all knowledge of the $17·65 million. He said that he knew nothing about it, and even that he never saw the GPD contract. I have no doubt that Chapman helped to draw up that contract in Geneva in November 1978.

The money did not go to Lotus as a firm, which is not to be blamed, but it certainly went somewhere. Both De Lorean and Chapman have concealed the truth, and the memorandum which Chapman prepared for the PAC before his death—it appears in volume 2 of the report—is less than frank and contains obvious untruths.

Some people have argued that De Lorean conned Chapman. Others, such as *The Mail on Sunday*, suggest that Chapman conned De Lorean. The truth is best put in the book to which the the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) referred, which said:

"In our research on this book, we have found those close to Chapman believed that De Lorean had it all and that those close to De Lorean believed that Chapman spirited it away. That one or both of them did so is almost beyond doubt."

The explanation that is, alas, most likely is that the entire deal was a con on the investors and the British taxpayer.

Whatever the truth, some words accurately describe the outcome of the GPD transaction. The Committee's report uses the word "mispropriation." The alternative words for plain folk would be "swindle" or "theft." It must have seemed the perfect sting. It deceived NIDA, the Department and everyone else.

To our shock, we now know that De Lorean talked his board into a snap decision to approve the arrangement in advance and that NIDA's chairman and chief executive agreed after a cursory discussion the following day. A perfect sting indeed, which might never have been

[Mr. Michael Latham]

discovered if De Lorean's empire had not foundered. No one chose to ask why Lotus was being paid month by month for work in respect of which it had already been pledged $17 million under contract. The marks for that sting were all our constituents and the American investors.

Who is to blame? After the Committee's report appeared, it was well received by all except two media experts. Ivan Fallon wrote a brilliant book on the whole squalid mess. That was available and invaluable to the Committee. Jock Bruce-Gardyne, now in another place, regularly questioned Ministers about De Lorean when he was in this House. Lord Bruce-Gardyne has always believed that the PAC was an unsuitable vehicle for the inquiry and that a special Select Committee should have been set up to question former Ministers or those still serving at the time when the company failed. He and Ivan Fallon believed that, because both Labour and Conservative Governments were involved, the House would be reluctant to take the matter further.

There is truth in such criticisms. I doubt whether any other committee could have done the job more thoroughly. The PAC has the inestimable benefit of the full backing of the Comptroller and Auditor General and his staff. No one has disputed the thoroughness of the report and Mr. Fallon himself was kind about it in his articles.

When the report appeared I was distressed by some of the cynical letters that I received saying that nothing would change. For example, a business man in Bournemouth —one of 2,000 unsecured creditors—who lost £6,000 through his firm, said that Whitehall never ran short of whitewash and that our labours on the PAC would be in vain.

I drew such letters to the Prime Minister's attention. She said that the affair was taken most seriously by the Government. In a letter to me, my right hon. Friend said:

> "Every effort will continue to be made to recover funds due to creditors and to bring to book anyone who may have committed a criminal offence."

Mr. Nicholas Winterton: In that case, when I saw the Prime Minister and revealed two folders of documents in 1981, why was no action taken? Both the Prime Minister and the Attorney-General stated to me subsequently, when the inquiry was called off—for reasons for which I have no explanation—that there was no evidence whatsoever to indicate that there had been criminal abuse of public funds. How could the Prime Minister write that letter when she had evidence upon which the Government could have acted in the early autumn of 1981?

Mr. Latham: To be fair to my right hon. Friend the Prime Minister, the letter to me was written last summer, and my hon. Friend the Member for Macclesfield (Mr. Winterton) refers to what took place in 1981. I cannot speak for the Prime Minister, but the explanation appears in the book which is available to anyone who wants to read it.

Although the tone of the Prime Minister's letter to me was good, she told me in two parliamentary answers on 30 October 1984 that no public officials had been reprimanded, retired on grounds of limited efficiency or otherwise disciplined as a result of the De Lorean affair. She said that two of the officials closely involved in the monitoring of De Lorean between 1978 and 1982 still had responsibilities for approving finance for industrial projects.

I do not really blame Ministers. None of the Secretaries of State involved is still in office. They were all honourable men who believed that the project would provide jobs and hope. They fought to start the project and they fought to save it. That was a decent and honourable reaction. We would all have done the same in their place.

However, Ministers must constitutionally accept the blame for the serious failures of their officials and the totally unsatisfactory monitoring and control arrangements. The current chief executive of the Industrial Development Board for Northern Ireland, Mr. Saxon Tate, spoke to the Committee about laxity within the organisation which he now runs but with which he was not then involved.

In my view, NIDA's role and that of the nominee directors represents a long and dismal chronicle of negligence and incompetence which was not checked by the Department of Commerce or by this House. Mr. Tate confirmed to me that no heads have rolled, and I do not expect now that any will.

About £70 million has been lost, much of which is beyond recall. More than 2,000 United Kingdom workers lost their jobs, an area which had some hope of work lost that hope, and many creditors have lost their money. It has been a sad, bad story of greed, fraud, incompetence, laxity and neglect. It is all revealed in stark and depressing detail in the report. The duty of the House is to insist that all Governments never allow it to happen again.

6.48 pm

Mr. Michael Morris (Northampton, South): I am pleased that the Government have accepted the PAC's recommendations. I have been deeply involved in the inquiry, and the Committee has had to wade through as much evidence as any other Committee has ever had to consider.

Since producing our report, I have reflected on the implications for the future. Four additional implications have not been highlighted in the debate, although one has been mentioned. The first is that I believe that it is unacceptable for the Public Accounts Committee to be delayed in carrying out an inquiry into the misappropriation of Government money because a judicial or police inquiry is taking place.

Mr. Nicholas Winterton: That was intentional.

Mr. Morris: The Committee was delayed for over 12 months. I objected to the delay in the Committee at the time to the then Chairman, but I was overruled. The delay was unfortunate. I hope that never again will the PAC be prevented from investigating the misappropriation of public funds because a law case is pending.

Secondly, there is the question of time. I remain mystified why the Secretary of State for Northern Ireland was given only 16 days in which to reach a decision. It seems to me that the Government failed properly to search the world for footloose investment. We should have known what was happening with Puerto Rico and Detroit. Inquiries should be made of the Invest in Britain Bureau to ensure that our investigation of footloose investment throughout the world is as good as possible. Our Ministers should never again have to make a decision in just 16 days.

Thirdly, I feel that Ministers and their advisers were not well assisted by the professional advisers who were called in. We have heard quotations from the McKinsey report which show that the initial summary was blunt and forthright:

"In summary, the Department is being asked to fund an extraordinarily risky venture. The combination of DOC grants and NIDA equity investment will mean that a large proportion of the financial risks will be carried by the UK taxpayer in return for a 22 per cent. stake in the company, if it can succeed in overcoming the odds."

Document PAC 8, therefore, contains a pretty strong report. However, as one looks at the work of McKinsey over succeeding months, one is disappointed to find that the firm's analysis became less critical.

In 1980 McKinsey was asked to assess whether the company was adhering to the terms of the master agreement of August 1978. We know that by the time the letter was written in May 1980 it was not. However, McKinsey wrote a letter to Mr. Hopkins saying:

"In our view, the company is adhering to the terms of the master agreement."

McKinsey was asked by NIDA to do an analysis of the sales potential of the product and in a letter dated 31 July 1981 the firm said:

"The DMC 12 has generated substantial interest, and De Lorean himself has created considerable awareness of the car . . . There appears to be great demand for the car at prices $6,000 above manufacturer's recommended price . . . The impression gained from this brief inspection of dealers is that the initial launch has been most successful with dealers and customers. We are very happy that the DMC 12 satisfies American quality and drive standards. Supply is the only constraint."

That too, turned out to be untrue. I do not believe that Mckinsey emerges from the affair too well.

It is true that there was no exchange control, but what were the company's bankers doing at the time? Not merely a few thousand dollars, but hundreds of thousands of dollars, were disappearing overseas. All the members of the Committee had a letter from the auditors this week. It was written by the United Kingdom senior partner who, in essence, complains that the good name of Arthur Andersen has been besmirched by the fact that the Northern Ireland Department of Economic Development has served a complaint against it and other Arthur Andersen partnerships because the United States' racketeer influence and corrupt organisation provisions have been involved.

The letter contains a reference to Volume II, Appendix VIII, Annex—Part 2, as evidence of the good work of the firm. However, Arthur Andersen made it plain in its evidence — I refer to page 26 — that it based its verification of expenditure simply on a letter from a company. That suggests to me that the company was not being searching enough. One employs auditors — especially of public money—to ensure that the difficult questions are asked. They should not accept the situation on the basis of a letter. They should look behind the back door to find an answer.

I do not think that Arthur Andersen comes out of the affair too well either. I believe that my view is supported by the work undertaken by Cork Gulley since it took over the liquidation side. I have been extremely impressed by the firm's detailed investigation and the extent to which it has managed to trace where money has gone. It is to the credit of Cork Gulley that a certain amount of money has already come back to the Exchequer. We await with interest the firm's further action in the United States. The lesson is that the Government should employ the best outside people they can find, and that the parties themselves have a major responsibility to ensure that when the Government entrust them with a job they do it with great assiduity and care.

I was not satisfied with my right hon. Friend's statement on nominee directors. I am not satisfied with the Government's view. It is unacceptable to be told that if a nominee director feels that because of his allegiance to the company on whose board he sits he cannot communicate with the Department that appointed him, his only option is to resign. The situation is hopeless. I understand that there is to be a company law Bill in the next Session. Nominee directors appointed by the Government should have a direct line back to the Secretary of State. They should not have to worry about resigning or to feel that they are undermining their loyalty to the company they serve.

6.57 pm

Mr. Michael Shersby (Uxbridge): As a member of the Public Accounts Committee, I feel that there are a number of key questions to be answered, if the debate is to be meaningful and if the work of the Committee, in reporting to Parliament, is to be effective.

First, who is responsible for what the Committee describes as

"one of the gravest cases of the misuse of public resources to have come before us for many years"?

Who was responsible for the fact that the United Kingdom taxpayer lost £77 million in four years? Who was responsible for the fact that $17·65 million went walkabout in November 1978?

I had hoped that the speech of the right hon. Member for Barnsley, Central (Mr. Mason) would have provided some answers to those questions. However, we were given only an aggressive, highly partisan political speech that was extremely disrespectful to the Chairman and members of the Public Accounts Committee and made no reference whatsoever to the contract with GPD Services and the loss of that money. The speech was nothing more than an attempt to whitewash the right hon. Gentleman's own period of office, to pass the blame on to others and to criticise the Public Accounts Committee. If the right hon. Gentleman is not satisfied with the chairmanship and the membership of the Committee, why has he not said so before?

The Committee is appointed by Parliament. Its members are nominated through channels of which all hon. Members are well aware. I believe that the Committee did a conscientious job, analysed all the evidence before it and produced a report that has been welcomed by almost everyone except the right hon. Gentleman. Therefore, I was not the slightest impressed by his speech. I think that it was wanting in every respect. I am only sorry that the right hon. Gentleman is not in his place to hear the remarks which I will feel obliged to make at the conclusion of my speech.

I was particularly glad to see the right hon. Gentleman in his place earlier in the debate, and to see my right hon. Friend the Member for Spelthorne (Sir H. Atkins) in his place. I had hoped that my right hon. Friend the Member for Spelthorne would contribute to the debate and explain to the House how during his term of office the various events to which the Committee of Public Accounts report refers came about. I am sorry that that has not happened.

Mr. Nicholas Winterton: He may not wish to say anything.

Mr. Shersby: I wish to place on record that, like many other members of the PAC, I recognise that the unemployment situation in Northern Ireland was and is severe, and that action was and is necessary to stimulate industrial development, but I do not believe that it justifies Ministers, civil servants and others taking reckless decisions which result in a substantial loss of public money. Hindsight is commonly called 20/20 vision and it is easy, people say, to be wise after the event.

Regrettable though those incidents were, I hope that all political parties in the House and all those who hold office in Northern Ireland or in any other Department of state or who aspire to hold office will read the report of the Committee and take the most careful note of the lessons which the PAC has spelt out.

I leave the House with some key questions. How did the Secretary of State for Northern Ireland in 1978 assess his man? What steps did he and his ministerial colleagues take to check the background of Mr. John Z. De Lorean? I believe that they took few, if any, steps. I believe that they were given the bum rush into this deplorable agreement with De Lorean, and that it was as a result of that that the swindle occurred.

Why were they rushed into an extraordinary agreement, which the right hon. Member for South Down (Mr. Powell) has aptly described as hair-raising, when it was known, and must have been known, that other countries had already rejected the concept of De Lorean establishing his automobile business in their countries? The Irish Republic I quote as one example. I do not believe, as my hon. Friend the Member for Scarborough (Sir M. Shaw) has said, that the old technique of saying, "Well, if you don't take it, Puerto Rico, Ireland or Detroit will have it, and perhaps a few other countries as well", is a good enough justification for a Government and 19 Ministers to have gone into this venture in the way that they did.

I want also to ask why the right hon. Member for Barnsley, Central and his hon. Friends and, indeed, my right hon. Friend the Member for Spelthorne—in fact, all those who were responsible in the Northern Ireland Department—did not appoint nominee directors to the board of DMCL who were of the calibre to stand up to De Lorean. It must surely have been evident to the then Secretary of State for Northern Ireland, to his ministerial colleagues and to their successors in office that they were dealing with a man who had a very strong personality and who would be very difficult to handle.

The nominee directors told us that it was the frequent practice of Mr. De Lorean to table documents at board meetings at the very last moment and to push them through with virtually no discussion. The nominee directors told us that the dates of board meetings were altered at short notice on frequent occasions. It was clear to any member of the Committee of Public Accounts questioning those witnesses that, with the best intention in the world, they would have a pretty difficult time in handling Mr. De Lorean or in forming considered judgments on the business of the company to the board of which they had been appointed to safeguard the public interest.

I share very much the views of my hon. Friend the Member for Northampton, South (Mr. Morris). I say to my hon. Friend the Member for Brent, North (Dr. Boyson) that I hope that he will ensure personally that for the future it is made absolutely clear that any nominee director appointed to a company of this kind must have not only sufficient business experience to run an automobile company or any other business enterprise but sufficient experience to stand up to strong entrepreneurial personalities and be prepared to resign if the directors do not get proper treatment.

I remember asking one of the nominee directors what he did when he found himself faced with papers at the very last moment to which he was asked to give his approval, and what he did when dates of meetings were changed at the very last moment. To his credit, he complained vigorously about that, but I think that he will have been far more effective if he had resigned and had said publicly that he was not prepared to continue discharging his responsibility as a director of DMCL in the deplorable circumstances with which he was faced.

Mr. Nicholas Winterton: My hon. Friend is making a valuable contribution. Can he indicate to the House how he believes that the nominee directors apparently were able to agree very substantial bonuses to Mr. De Lorean and another director a few weeks before the company went into liquidation? It does not seem that they put up any fight. Does this show that they were perhaps doing their job, albeit under difficulty, or that they were just blatantly incompetent?

Mr. Shersby: I can only speculate on the reasons for that. I think that it was all part of the fact that the magnetic and powerful personality of Mr. De Lorean, coupled with the assent of the British Government to provide additional funds to take the company on yet a little further and a lack of adequate documentation, led to the directors and the nominee directors believing still that the company was being run by an automobile genius and a business genius who would in the end be successful in delivering what he said he would deliver and what the British Government believed he would be able to deliver.

I deplore the criticism of the Committee of Public Accounts and particularly of the Chairman by the right hon. Member for Barnsley, Central. I have known the right hon. Gentleman for many years, and I believe that his comments were unworthy of him and were a reflection of the aggressive and partisan stand which he took to defend his own curious and questionable position. It is not possible for the Chairman of the PAC himself to reply to such criticism. I should like to say—and I am sure that I say this on behalf of my fellow members of the Committee—that we have the utmost confidence in the Chairman and we believe that he has done a good job in producing a fair and reasonable report. I do not think it comes well from the Secretary of State who was in office at the time when these events occurred to criticise either the Chairman or the members of the PAC in the way that he did. I hope that, on reflection, he will feel that it would be wise to withdraw those remarks.

In my time in the House of Commons, serving on the Committee of Public Accounts has been one of the most worthwhile activities in which I have been engaged. The many months which we spent in trying to unravel the De Lorean affair led us all to the conclusion that we were dealing with a very unusual, special and difficult situation. I hope that the Secretaries of State of the two Governments which were in office in that period will have learnt from it. I am glad that the Government have accepted the report,

and I hope that in future we shall see the affairs of Government conducted more wisely and with a much closer regard to better business practice.

7.8 pm

Mr. Stuart Bell (Middlesbrough): One of the disadvantages for the hon. Member who winds up on behalf of the Opposition is that he finds that his speech has been made for him several times over by those who have preceded him. President Johnson once said that if we all had the same facts, we would come to the same conclusions.

Reading through the 25th report of the Committee of Public Accounts and the memorandum published by the Northern Ireland Department of Finance and Personnel, and having heard the speeches, I think it is clear that there is a certain degree of consensus in the House tonight.

I listened with great care to the hon. Members for Uxbridge (Mr. Shersby) and for Northampton, South (Mr. Morris), and during my short intervention I shall possibly cover some of the points that they made.

The hon. Member for Uxbridge referred to the speech of my right hon. Friend the Member for Barnsley, Central (Mr. Mason), who was of course the Secretary of State for Northern Ireland for part of the time with which we are concerned. It was quite right and proper, therefore, that he should have sought to put into context and to explain the decisions that were made. The point has been made on both sides of the House that two Governments were involved in these decisions. As the hon. Member for Rutland and Melton (Mr. Latham) honestly pointed out, there were times under the Conservative Government from 1979 when these agreements could have been cancelled. But I do not feel that it would be appropriate to rake over the events of the last four years. I am the only Member taking part in this debate who has no fingerprints on this file, because I was not a Member of Parliament until 1983. I can therefore speak with the utmost objectivity, after a thorough reading of the report.

My right hon. Friend the Member for Mansfield (Mr. Concannon) also sought to set the matter in context when he said that the many successes that there have been in Northern Ireland would not have been possible if there had been a rigorous obstacle course as regards investment. The conclusion of the Public Accounts Committee was, as we have heard, that there ought not to be a hidebound bureaucracy intervening and preventing the kind of investment that is needed in Northern Ireland.

The right hon. Member for South Down (Mr. Powell), who has followed the entire debate, made a useful contribution, as he normally does, and sought to place the debate in an objective and sensible context. He talked of a political misjudgment, which he said was based on a misconception of cause and effect.

As I said earlier, the then Labour Government had a policy on these matters—the policy of the day. The Labour Government wished to devise an economic strategy for Northern Ireland based on the use of public investment. It desired a strategy based on the so-called Quigley report. We have not heard that report mentioned tonight, but my right hon. Friend the Member for Mansfield reminds me of it. The Quigley report argued that the public sector should take unprecedented risks to attract foreign investment to Northern Ireland.

There is no doubt that the De Lorean affair was an attempt to renew the economic base of Northern Ireland. The right hon. Member for South Down—I almost called him my right hon. Friend, but, of course, I cannot do that — sought to distinguish the effects of unemployment in Northern Ireland from the long-term, difficult effects of the security situation — problems about which we all know and live with.

There was the belief that if we could create jobs in west Belfast and the west Belfast area—which, as mentioned earlier, has five times the unemployment that we have on the mainland—that would be a very useful effort.

Following the Labour Government, we had a Conservative Government who agreed to a loan of £14 million to cover the cost of the overrun that was becoming apparent at that time. On 21 January 1981 there was a further request for £10 million and, again in the interest of keeping the enterprise afloat, the Minister of State, Northern Ireland Office, agreed to provide Treasury guarantees up to £10 million. That, as we know, was increased to £17 million by 31 December 1981.

The hon. Member for Rutland and Melton — who made a very substantial contribution to the report and to the verbatim records, which I have read—honestly put his finger on the master agreement and said, if I understood him correctly, that it might have been tightened up at that time. There was that possibility, but, as he said, he was told that the Conservative Government had made clear their intention to support the De Lorean project and there was no intention of terminating their contracts with the company. Therefore, the same constraints as were on the Labour Government were on the Conservative Government. It does a great deal of credit to the Labour Goverment and to the Conservative Government, as well as to the civil servants and the trade representatives involved in these matters, that at all times they had the interests of the people of Northern Ireland at heart. No suggestion has ever been made of any pecuniary gain by anyone in any of these offices. That, too, is a credit to all those who have been involved in this saga.

My right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon), who was the Chairman of the Committee, referred to its long and difficult inquiry. I congratulate those who drafted the report, because they sought to disentangle the great difficulties facing the Committee and came up with something that was extremely coherent and cogent and which I followed with the utmost interest.

My right hon. Friend the Member for Ashton-under-Lyne and the hon. Member for Rutland and Melton mentioned the Fallon and Srodes book, but neither gave the title—"The rise and fall of a dream-maker." The hon. Member for Macclesfield (Mr. Winterton) told the House that Mr. De Lorean was about to write his memoirs. I presume the title will be "What happens when the dream comes true?" Certainly in his case the dream came true over a period of years, but that again is no reflection on Ministers, because a Minister cannot possibly make a decision on matters such as the GPD company, which, as we know, was a Panamanian company. Even in the PAC report it is sometimes referred to as a Swiss company—

Mr. Nicholas Winterton: Swiss-based.

Mr. Bell: Yes, but it is called a Swiss company in one part of the report. That shows the difficulties of dealing with a Swiss-based company with a Panamanian

[Mr. Bell]

background. Panama is a territorial tax haven. Shareholders in a Panamanian company are not known to the public and they pay no tax on their earnings. That was regrettable, but it was not known or noticed and it certainly did not fall within the context of the ministerial decision.

I wish to pay a tribute to the hon. Member for Macclesfield, who first brought to the attention of the public the malfeasance which was involved well after these arrangements had been concluded. He mentioned the abuse and misuse of public funds and was sufficiently honest to make accusations of dishonesty and duplicity and to say that Ministers had been incompetent and apathetic. I mention that because it takes a very courageous Member of Parliament, even in this House of Commons, to criticise his own Ministers, as well as others. It is a great indication of the robustness of our system that he could express his thoughts so loudly and coherently. I congratulate him on that.

A great deal has been said about Sir Kenneth Cork. He has been mentioned by the hon. Member for Northampton, South, among others, and by my right hon. Friend the Member for Ashton-under-Lyne. I had great experience of Sir Kenneth Cork in all the years that he was with Cork Gully. He has a great reputation as a receiver and is no stranger to the variety of ways and means by which even the most famous companies can undo themslves. In evidence which has been quoted in a different context but which it would be right to set in the context of this debate, as I am winding up for the Opposition, this is what Sir Kenneth Cork said of the overall transaction:

"I personally believe that if this company had ben modestly run with a production of 7,500 cars and run in the way a business producing this limited quantity of cars and if the up-front money had not disappeared, there is a good chance that that business employing 1,200 or 1,400 might well be running today."

A great deal was made of the point about Lord Bruce-Gardyne, who during the last Parliament made several interventions on this subject. He is a financial man and writes financial columns for the *Sunday Telegraph* and is very up-to-date in these matters. In a short debate in the other place recently, he called the De Lorean affair "a lunatic adventure." I submit that there was nothing lunatic about its conception. The project was designed to bring work to west Belfast in the context of 1978 and it was supported by Labour and Conservative Governments. It has as its inspiration what must have been the most noble of motives—providing work for able-bodied men and women who were otherwise destined to spend their lives in the dole queues.

It is said that the 2,000 permanent jobs which were to have been created would have cost £17,953 per job or, as others have said, £18,400 per job. The figure quoted by the Northern Ireland Comptroller and Auditor-General was £18,909 per job. The fact remains that both Labour and Conservative Governments, over a four-year period, showed their commitment to the people of Northern Ireland, their concern for the future of those people, their desire to help those in the Catholic minority who were out of work and demonstrated that it is untrue to seek to give the impression that Labour and Tory Administrations do not care what happens in Northern Ireland.

The paths that led to the destruction of the enterprise were highlighted by the PAC, and it is hardly relevant for me to go over them tonight. Money was poured into a subsidiary company rather than into a holding company; nominee directors, once appointed, were ineffective; and there was a lopsided shareholding between the agencies which provided the money and the gentlemen who were to provide the expertise.

It is interesting to note how civil servants appeared before the PAC to explain how it all came about. The PAC does not normally question Ministers. We still have the concept of ministerial responsibility, and nothing that has been said in this debate detracts from that. However, it is right in a matter such as this, with public money involved, that those who bore responsibility for advising successive Secretaries of State and other Ministers of the Crown should give their side of the story.

As I said, their motives cannot be impugned. None was activated by a sense of personal gain, all were concerned for the future of Northern Ireland and all sought to the best of their abilities to bring work to the people of that area. The same officials who negotiated the De Lorean contract negotiated six other new American investments which are currently providing 2,300 jobs, as my right hon. Friend the Member for Barnsley, Central pointed out. Those 2,300 jobs represent about 20 per cent. of all existing jobs in United States companies in Northern Ireland.

That fact must be put in the balance and we must discuss the matter in that context. We must never lose sight of the fact that public sector employment in Northern Ireland accounts for 45·8 per cent. of total employment. That does not mean that the conclusion of the PAC can or should lightly be brushed aside. The PAC report—this sums up the Opposition's point of view—said that

"the De Lorean project represents one of the gravest cases of the misuse of public resources to come before us for many years."

The evidence garnered by the Committee disclosed what it described as

"a shocking misappropriation of public and private money"

and showed also that De Lorean's car company received about £77 million of United Kingdom taxpayers' money. As hon. Members have pointed out, most of that has been lost. It was gratifying to hear the Minister say that the Government would continue to seek to regain as much of that money as possible. When I was in Belfast on Monday night I was told that about £7·7 million had already been recovered. The Minister described it as £6 million in money and £1·8 million in assets, so the reports are not entirely dissimilar.

The report of the PAC and the events of the four years 1978 to 1982 have resulted in important changes being made in the method by which future projects will be vetted for Northern Ireland and for projects relating to other Departments which handle public money. The Minister gave an assurance that that would be done.

The criteria for Northern Ireland have not changed because there is a desire to create work for the people in that area. The Industrial Development Board, in its evidence to the PAC, pointed out that there should not be over-excessive caution or too great a bureaucratic approach in the search for good investments which will yield jobs.

The lessons of De Lorean will, however, be with us for some years. The Minister said that those who ignored the lessons of history had to live through them all over again. Shakespeare wrote:

"If to do were as easy as to know what were good to do, chapels had been churches, and poor men's cottages princes' palaces."

If we were able to relive our lives with the benefit of hindsight, I am sure that the first in the queue would be those Northern Irish representatives who had to deal with Mr. De Lorean.

Some good has come out of this sad story. As my hon. Friend the Member for Normanton (Mr. O'Brien) said, a factory was built on a green field site at Dunmurry, west of Belfast, and for a time it looked as though this high risk venture, as it was always called, would pay off. Even the consultants, McKinsey, thought that there might be consolidated profits of $30 million on $350 million to $400 million of sales. In fact, royalties of £600,000 after tax were received by NIDA in respect of 3,242 cars.

The employment target of 1,000 was met a year after the commencement of production and the five-year target of 2,000 jobs was met by August 1981. By January 1982, employment had reached 2,600, and a further 76 jobs were provided on site by canteen and security companies on contract. The annualised gross wages and salaries bill for the labour force of the De Lorean company was estimated at about £17 million, based on then current average earnings.

It is clear, therefore, that skills were learnt in a short time by a willing and eager work force who showed, if nothing else, that where there was a will there was a way, and that where there was an opportunity for work that opportunity would be quickly and effectively taken.

The recommendations of the PAC have been accepted by the Government, and we have had an interesting and lengthy discussion on the subject of nominee directors. I had imagined that the question of nominee directors had been resolved in 1957, at the time of the famous bank rate leak, when the Bank of England found itself in some difficulty, with two nominee directors sitting in on the setting of the bank rate and a leak occurred two days later. While that certainly cured the Bank of England in that respect, it has not cured any of our public bodies.

On the plus side of the De Lorean affair, cars were actually produced. In all, 8,333 were shipped to the United States and retailed by dealers. The investment, in substantial part, found its way back into the local economy and provided a respite, albeit short-lived, for those otherwise unemployed. While, therefore, there is a feeling of a total loss of perhaps £77 million, that has not entirely been the case. There were also lessons to be learnt for the future. Some of those lessons have already been accepted in Northern Ireland, with a consequent vesting of responsibility in the Industrial Development Board.

About £11·5 million was paid to Lotus, but that was not entirely lost to the local community and economy. I have a list with me — it is too long to read — of local industries in Northern Ireland, and some on the mainland, which benefited from the transaction.

Against that we must not lose sight of the fact that De Lorean managed to obtain a British Government investment of £76·92 million in grants, loans and guarantees, inclusive of share capital, against a modest contribution — the hon. Member for Macclesfield will note the figure — of £564,000. Whether that was authorised capital or actually paid up, we shall probably never know.

The next debate is about the coal industry. There was a slogan on the coal mining banners of old which read:

"We take up the task, the burden and the lesson."

Placed in the context of De Lorean, the task must be and will remain our commitment to the people of Northern Ireland, and for them the quest for jobs. The burden remains in seeking to urge the Industrial Development Board never to give up that quest. The lessons are that, while stringent rules and regulations can and must apply where public money is involved, everything must be done to prevent the likes of Mr. De Lorean from slipping through the net again. Not only did he deprive the taxpayer of his money, which was bad enough; he raised the expectations of ordinary people in Northern Ireland and then dashed them to the ground, with all the disappointment that consequently flowed from that. If those lessons can be learnt, some good can come out of this sad affair.

7.30 pm

Dr. Boyson: The hon. Member for Middlesbrough (Mr. Bell) said that his fingerprints were not on the story of De Lorean, whoever else may have had his fingerprints on it over the relevant period. I inherited my portfolio in September last year, so I cannot look back on the story from a great height. My hon. Friend the Minister of State, Home Office, the hon. Member for Pudsey (Mr. Shaw), has joined us. He has been away for most of the day and is delighted to be with us.

Much of the trouble is linked with unemployment. Risks have been taken in the past in Northern Ireland. The Public Accounts Committee has looked at the various problems and pointed out the lessons to be learnt from them. In west Belfast, unemployment was five times higher than in greater Belfast, where unemployment was already much higher than in Great Britain. In those circumstances, people looked desperately for employment of any kind.

The Government accept totally the recommendations of the Public Accounts Committee in its reports. I pay tribute to the Chairman of the PAC, the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), and the other members of the Committee. I also pay tribute to all the hon. Members who have spoken seriously and straightforwardly in the debate. Their labours have not been in vain. The reports have been studied; indeed, changes were made even before they were published. Being questioned about a problem helps one to assess it and to decide what needs to be done about it. It is clear that private money is needed as well as public money. It is also clear that projects must be assessed without the rush or urgency that was mentioned by several hon. Members, including my hon. Friends the Members for Scarborough (Sir M. Shaw), Rutland and Melton (Mr. Latham) and Northampton, South (Mr. Morris).

The best way for a con man to sell something is to rush the sale; there can be no doubt about that. Once negotiations have started, it is very difficult to withdraw from them. It is like the treacle well in "Alice in Wonderland". What is at the bottom of a treacle well? Treacle. Once one is in a treacle well, it is extremely difficult to get out of it. I think that my hon. Friend the Member for Macclesfield (Mr. Winterton) will agree with that. I call it the mangle procedure: if one gets one's fingers in the mangle, it turns only one way. One can go right through it or just lose one's fingers. People do not like losing their fingers. Once £14 million has been spent and another Government take office, they feel that they must get it back somehow or other.

Mr. Nicholas Winterton: The question that I directed through you, Mr. Deputy Speaker, to the right hon.

[Mr. Nicholas Winterton]

Member for Barnsley, Central (Mr. Mason) — who unfortunately is no longer in his place—was whether we could be told how much John De Lorean and his companies put up as their contribution to the setting up of the De Lorean company, to which was added a very hefty contribution from the British taxpayer.

Dr. Boyson: My hon. Friend the Member for Macclesfield has spoken today of events with which he has lived for a long time. I can give him the figures. The De Lorean company subscribed £546,000 for shares in De Lorean Motor Cars Ltd. There was no personal money from De Lorean in that sum.

Mr. Winterton: That is right.

Dr. Boyson: The money subscribed to the De Lorean Research Ltd. partnership—$50,000 from each person—made up a figure of $12·5 million. That was paid over for the development of the motor car, but again none of it came from Mr. De Lorean.

I repeat that we have accepted the 13 principles. I am surprised that I did not see Lord Bruce-Gardyne looking at us today from the skies. We shall have to see in the *Sunday Telegraph* what he says about the debate. Even he agreed that the 13 principles were a great advance on the previous position.

The right hon. Member for Barnsley, Central referred to the problem of unemployment. He sent me a note to say that he was unable to stay after 7 pm; that is why he is not in his place now. The Government's concern to create employment in Northern Ireland is no less than that of the previous Labour Government, and I acknowledge the kind and courteous way that that point was made by the hon. Member for Middlesbrough. I agree with him that it is no good raising expectations and then not fulfilling them.

The £77 million that was spent on De Lorean Motor Cars cannot be spent again. The loss of that investment did great harm to investment prospects in Northern Ireland for a considerable time. But it must be put on record that the failure of the De Lorean project was not the fault of the workers in Northern Ireland. who did a remarkable job.

Since 1979, when the Government took office, 30,274 jobs have been promoted by the Industrial Development Board and the Local Enterprise Development Unit. Those jobs have been promoted by encouraging businesses to come to Northern Ireland, and I have seen some of them. Therefore, the Government's concern is at least as great as that of any other Government.

If people do not learn the lessons of history, they live them again. The lessons are there to be seen; they are never identical, but they can be recognised. The PAC has shown how we can learn those lessons. As I said earlier, we wholly accept the PAC's reports, and I give the Chairman and members of the Committee full credit. If we learn those lessons, irrespective of party, I trust that no Government will in the future have to deal with a situation such as that created by De Lorean.

The expenditure of the money on De Lorean would not have been possible if there had been careful technical assessment of the project from the beginning. It would not have happened if the project had not been rushed, and if the 13 principles had been followed.

The whole House owes a great debt to the Public Accounts Committee. I pay particular tribute to its Chairman and to those members of the Committee who have spoken in the debate. The reports have been read carefully in Northern Ireland. They have guided us in what we have been doing. We accept all the main recommendations.

The question of nominee directors is important, My hon. Friend the Financial Secretary to the Treasury has been listening to the debate.

The time of the PAC and of the Members who have spoken in the debate today will not be wasted if we can ensure that in the future there are no more De Lorean failures and if we can at the same time get good private and public investment.

Question put and agreed to.

Resolved,

That this House takes note of the Twenty-Fifth Report from the Committee of Public Accounts in the last Session of Parliament on Financial Assistance to De Lorean Motor Cars Limited (House of Commons Paper No. 127 of Session 1983-84) and of the Northern Ireland Department of Finance and Personnel Memoranda on that Report (Cmnd. 9374 and House of Commons Paper No. 199 of Session 1984-85).

Orders of the Day

Coal Industry Bill

Order for Second Reading read.

7.40 pm

The Secretary of State for Energy (Mr. Peter Walker): I beg to move, That the Bill be now read a Second time.

I should like to say a few words to the House on the background to the Bill. Obviously I greatly regret having to come to the House with a Bill requiring the expenditure of £1,800 million. If further orders are taken, it may be as much as £2 billion. I regret it because otherwise it would have been possible to come to the House with a far more favourable report about the state of the coal industry.

I believe that 1984 could have been a year of very considerable opportunity for the coal industry. Many firms were considering the possibility, with the aid of Government grants, of converting to coal as a form of energy. My Department looked at the energy efficiency campaign and decided that a sensible target would be to try to persuade 1,000 firms in Great Britain to convert to coal. It was a year in which about £700 million to £800 million of capital investment could have taken place in the industry which would have increased performance and productivity and the prospects for capturing further markets. It was also a year in which we hoped that substantial progress would be made by the industry in reaching a break-even position and that it would no longer be a substantial liability for taxpayers.

I believe that the House should examine carefully the realistic opportunities and the downside risks that are involved in the industry. We have coal reserves which can be sensibly and correctly exploited, and a coal mining machinery industry which is a world leader. It faces competition only from Germany. As Germany's coal industry will probably decline, we have the opportunity to become a dominant force in the world's coal mining machinery industry. Therefore, the prospects are very good.

However, considerable improvements in productivity must be achieved. If one endeavours to look impartially at the last 10 years in the industry, before any strike action took place, the "Plan for Coal" contained three ingredients, only one of which was fulfilled, and that was the agreement by the Government—in the first place a Labour Government, followed by a Conservative Government—to invest substantially in the industry.

I make no party political point when I say that capital investment by this Government in the industry in both real terms and cash terms has been greater than that achieved by the previous Labour Government. It has been greater than the capital investment envisaged in the "Plan for Coal". The proponents and creators of the scheme considered that if capital investment were to be made at that scale over that decade it would result in an improvement in productivity of 4 per cent. a year. That was never achieved. For the 10-year period the total improvement in productivity was similar to the target for each year of the plan.

If those who are employed in the industry and if those who want the industry to be successful and to expand in the future are to have their hopes fulfilled, that will happen only if the industry uses the investment in it successfully and markets its products successfully. If it does so, I shall have great confidence in the industry. Therefore, I hope that trade unions and management will bear in mind that the best prospects for the industry lie in using the next two years during which this finance will be available to the best advantage of the industry, which means improving productivity and using the very substantial sums of money that are available to improve the performance of the industry.

The firm objective of the Government is that the National Coal Board must break even without deficit grant by 1987-88. That has been said in the past. Similar hopes have been expressed not only by Conservative Governments but by Labour Governments. It is absolutely essential for the industry to realise that, because of the sums of money involved, it is not possible for any Government, whether a Labour Government, a coalition Government or a Conservative Government, to continue to finance the industry at this level.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): I am delighted to hear that this year the coal industry will at last make a profit. Since 1947 we have been promised that the coal industry would make a profit, yet each year—sometimes twice a year—we have written off thousands of millions of pounds here and hundreds of millions of pounds there. Does the Minister think that within the next three years there is any prospect of no taxpayers' money having to be put into the coal industry?

Mr. Walker: I should not have said what I have just said unless I believed that to be the position. It is in the interests of the miners and the mining communities to recognise that they are not being asked to make a great sacrifice but that they are being presented with an opportunity which will benefit them and the industry. It is essential for those who have in mind the best interests of the industry to recognise that fact.

Clause 1 provides for the payment of deficit grant to the National Coal Board—£1,200 million for 1984-85 and £600 million for 1985-86 and 1986-87 together. The latter figure may be increased, if necessary, to £800 million by order. Naturally I hope that no such need will arise. The provision of £1,200 million for 1984-85 is over and above the funds provided for that year under the Coal Industry Act 1983. We reached the limit on the deficit grant that we could pay in March; hence the immediate requirement for fresh parliamentary authority.

Total losses for 1984-85 are expected to exceed £2 billion, very largely due to the strike. The loss is still being added up, but at the last count no fewer than 71 coal faces —46 working faces and 25 salvage faces—had been lost, and 42—37 working faces and 5 salvage faces—were causing serious concern. The write-off of faces is costing millions of pounds. The recovery of faces, where recovery is possible, also costs many millions of pounds. Money is needed in the first instance not to make any real progress but to get the industry back to where it was.

Clause 1 also provides that, if the audited accounts of the NCB show that the full £1,200 million for 1984-85 is not required for that year, the balance may be carried over to 1985-86 and 1986-87. The reason is that it allows for

[Mr. Walker]

present uncertainty about the proper allocation of strike-related costs and their amounts to be resolved when the board's accounts for 1984-85 are available and have been agreed with the auditors.

The board must operate within a financial framework. The subsidies to the industry in the past have been intolerable. However, there is a commitment in the industry to work towards new objectives. It is that commitment which counts and it must have the support of all, with a will to succeed so that the industry can become successful and solvent.

There will, of course, be pit closures. Since the strike ended there have already been some closures of pits where the majority of miners connected with them agreed that there was no likelihood that those pits could survive. There will be closures where it is the judgment of the board—and, I hope, the judgment of the unions—that spending money on pits that will contribute nothing to the future prosperity of an area is a mistake, not just for the industry in its collective form, but for the miners and their communities.

Essential closures will take place, but there will be substantial investment. Alas, part of the investment that would have been made in new plant and machinery and new coal faces will have to be spent on restoring some existing faces.

It is essential for the industry to recognise that the substantial sums that will be available over the next two years should be spent wisely and sensibly on projects that have a future and will provide jobs and opportunities for years to come and are not wasted. Therefore, I hope that when considering the closure of pits the three unions involved will be objective about where the available money can best be spent.

New procedures were agreed in negotiations with NACODS during the dispute. The existing procedures will be applied and if the unions and the NCB disagree on the conclusions there will be an indepet. ent review—as agreed with NACODS—before the NCB makes its final decision. When there is clearly no case for money to be spent on one pit when it could be better spent for the industry elsewhere, I hope that miners will not believe that it will be in their interests not to join the management and the NCB in taking rational decisions on such matters.

Mr. Ray Powell (Ogmore): Are the new procedures operable in respect of the pit closures that have been recommended since the strike ended?

Mr. Walker: The form of the new procedures has not been agreed. Discussions are going on with the unions concerned. In the pits that have ceased to function since the dispute ended, the NCB has made clear to those affected the range of options available. It has said, "You can stay connected with the pit and the normal procedures will take place. If you take our view that there is no future for the pit and you would prefer to transfer now or to take voluntary redundancy, that can be done."

In a number of pits, the miners have decided to take that latter route. The procedures are still available. I believe that it is in the interests of miners and their communities to make such rational decisions. In Wales, NUM engineers went down a pit and agreed with the NCB that it had no future. The majority of miners also agreed. If the NCB had told miners that those options were not available and that men would be stood off for four or five months while the procedures were operated and the new procedure was agreed to, the majority of miners in that pit would have suffered.

I hope that the miners will show common sense. The NCB will not impose decisions. It will not say, "We are closing this pit and to hell with the procedures." It will tell the miners what it believes will happen to a pit and will ask them how they believe that the situation should be handled. Amicable agreements have been reached in a number of cases.

I have been encouraged by the increasing activity of NCB (Enterprise) Ltd. which was launched during the dispute. It has already made loans and given advice and help on a number of projects. It has generated 200 new jobs in mining communities and hopes quickly to produce another 400 jobs. An additional 1,000 jobs look like being in the pipeline.

I am told by the NCB that it intends to widen the scope of the company by bringing in a number of outsiders to help with such activities. I increased the loan capital for the company from £5 million to £10 million, and if further activity and expansion is found necessary I shall be happy to review the situation.

Within the context of uneconomic pits having to close, as they have had to close throughout history, I believe in the potential for success of the new company. There is no doubt that the prospects for young people in an area where an uneconomic pit must close will be far better if new industries come into the locality than they will if the district is left with an uneconomic pit that will not have a very long life anyway. We shall continue to be active and to endeavour to do what we can.

With the seams available and investment that we are willing to make, there is a good potential future for coal. However, there will be competition from other fuels which coal will have to win, particularly in industrial markets. Even during the dispute—and with more authority since it ended—my Department and the Ministers who have attended all the briefings on energy efficiency that we have provided have brought to the attention of 15,000 industrialists the grants and potential involved in using coal. We have suggested that industrialists should carefully examine the possibility of using coal, but that prospect will be of no interest to industrialists until they are sure that there is a guarantee of supply and that the investment will produce coal at reasonable prices.

Clauses 2 and 3 concern the power to pay pit closure grants to the NCB and to make payments to redundant mineworkers. The Bill does not affect the generous redundancy terms currently available to miners set out in the Redundant Mineworkers and Concessionary Coal (Payments Schemes) Order 1984, as amended. Also the Bill does not extend the period for which those terms are available, which remains 30 March 1986 as specified in the 1984 order. The Bill does not increase existing ceilings on total payments that may be made in respect of redundant miners and concessionary coal or in respect of the pit closure grants; they remain at £1,200 million and £400 million respectively.

Rather, the purpose of the Bill is to ensure that adequate powers exist to enable the continuation of the redundant mineworkers and concessionary coal payments schemes and to bring the scheme for the payment of pit closure

grants into line with that proposed for the payment of deficit grants, and thereby avoid the need to burden Parliament with two coal industry Bills in one year.

Mr. Eric Cockeram (Ludlow): My right hon. Friend has explained that payments of £1·2 billion, perhaps increased to £2 billion, can be made under the deficit grants scheme. Can he confirm that the Bill also allows up to £450 million for pit closures and up to £1,200 million —which may be raised to a maximum of £1,800 million —under the redundant mineworkers and concessionary coal payments scheme? Therefore, the maximum finance permitted under the Bill exceeds £4 billion.

Mr. Walker: No. The bulk of what is implied in clauses 2 and 3 and the £400 million—which could be increased to £450 million—is provided for in earlier legislation. The Bill allows that facility to be extended for a further year. For that to happen, however, an order would have to be laid before the House.

Now that the strike is over, the NCB must undertake a thorough review of the damage done and the options for the future. Many faces have been lost. At some pits there is insufficient work available for all men to return to normal working, and those who wish to leave the industry are being allowed to take redundancy. At other pits, area directors are coming to the conclusion that continued operation can no longer be justified and have instituted proceedings under the procedures laid down, which may lead to the closure of those pits.

It is too early to say what the final outcome of the board's review will be. The setting of figures for the Bill, alas, could not wait for the board's detailed assessment of its likely future manpower requirements and of the extent to which men might be willing to leave the industry on the terms available. The figures, therefore, had to be large enough to meet any conceivable circumstance.

However, the Government accept that it would not be right to increase the existing limits until a clearer indication of need emerges. That is why the Bill enables the limits to be raised by order approved by Parliament if and when that appears necessary.

Mr. Dennis Skinner (Bolsover): It is a worthwhile investment.

Mr. Walker: The coal industry is of very important potential to the nation. The hon. Member for Bolsover (Mr. Skinner) refers to worthwhile investment. It is sad that the worthwhile investment of £800 million in capital investment did not take place last year. Instead, massive damage was done to the industry in a way that was entirely unnecessary and unwarranted and without any industrial purpose. As I said at the beginning of my speech, 1984 could have been a year of high investment, good pay, no compulsory redundancies and an increasing share of the nation's markets. Instead, it was the most tragic year in the history of the industry and I trust that it will never be repeated. I trust, too, that those working in the industry and all who wish it to succeed will take advantage of the Bill and will not waste and destroy the opportunities available.

8.2 pm

Mr. Stanley Orme (Salford, East): As the Secretary of State said, the Bill gives us the opportunity to examine the financial arrangements proposed by the Government as well as the state of the industry following a dispute which lasted for more than a year. It is a shame that the Government have not responded to the real issues facing the industry as quickly as they have produced the Bill, but I shall return to that later.

The Secretary of State referred to the NACODS agreement and the colliery review procedure. I want to put some specific points to the right hon. Gentleman and to ask him some equally specific questions. Since the end of the dispute, and even before then, the Secretary of State, the Prime Minister and others have repeatedly assured us that the agreement signed by NACODS and the NCB is sacrosanct. On 17 April this year the Secretary of State wrote to Peter McNestry, the national secretary of NACODS, assuring him yet again that the NCB would honour the agreement and welcoming the impending meeting of the unions and the NCB to give effect to that agreement. On Monday the Secretary of State looked forward to yesterday's meeting to establish a new colliery review procedure and expected a speedy agreement to be reached on the operation of the new procedure.

In the meantime, we were led to believe that the existing consultation and review procedures for pit closures would continue to operate, but the NCB apparently does not share the Secretary of State's view. Since the dispute ended, pits have been closed without any consultation.

Mr. Peter Walker: Give examples.

Mr. Orme: I was about to do so. If the Secretary of State will be patient, I shall tell the House about the closure of the Polkemmet pit in Scotland. I am sure that my hon. Friends will be interested to hear this, too. The Polkemmet pit is in the constituency of my hon. Friend the Member for Linlithgow (Mr. Dalyell). My hon Friend is unable to be present, but I have discussed the matter with him and with the Scottish secretary of NACODS, who tells me that the closure involves the loss of 1,400 jobs and a loss to the nation of 500,000 tonnes of coal per year, most of which is used by the Ravenscraig steelworks.

I hope that the Secretary of State will look into the details of this closure. I am informed that the power was switched off in that pit, leading to flooding, that valves were left open and that no attempt was made to recover the pit. [HON. MEMBERS: "Why?"] That is for the Secretary of State to answer.

Mr. Peter Walker: It was because the unions decided to withdraw safety cover.

Mr. Orme: That is not true. Safety cover was offered. The decision to close the pit in that way was taken by Mr. Wheeler, who urged people to take redundancy and then said that there was no one to take the jobs if the pit remained open. My hon. Friend the Member for Wentworth (Mr. Hardy), who speaks in the House for NACODS, can give chapter and verse on this. The agreement with NACODS was not honoured in this instance. That is a classic example of what has been happening since the dispute ended.

Mr. Peter Walker: If the right hon. Gentleman had consulted the NUM instead of just talking to someone from NACODS, he might have been told that all but 19 of the 1,400 people at that pit had agreed to transfer or voluntary redundancy. There was massive consultation, and the picture that the right hon. Gentleman paints is totally misleading.

Mr. Orme: That is not so. The procedure was not carried out. The Secretary of State cannot deny that when NACODS asked for the procedure to be used it was refused, and there was a letter from the NCB to that effect on 29 March. That is the reality of the matter.

Mr. Peter Walker: Is the right hon. Gentleman saying that instead of giving nearly 1,400 men the transfers and voluntary redundancies that they wanted we should have sent them home for four or five months while we waited for the procedures to be gone through against the wishes of the NUM?

Mr. Orme: I am saying that agreements should be carried out, but the Government are not carrying them out, and nor is the NCB.

Mr. Peter Hardy (Wentworth): When NACODS saw the NCB about the future of that colliery, after it had been prevented from sending men down to deal with the flooding, which could have been done without any objection from the NUM, it was given a firm assurance by the NCB that when the dispute was over the pit would be pumped clear. No consideration has been given at Hobart house to that clear promise made to my association.

Mr. Orme: My hon. Friend has made that point clearly in answer to the Secretary of State—[HON. MEMBERS: "Unfair."] It is not unfair—the point was clear.

The Secretary of State referred to negotiations continuing. At the meeting yesterday, a request for an assurance that no pits would close without going through either the modified or the existing review procedure was rejected by the NCB. NACODS is extremely bitter about that. Peter McNestry told me only this morning that he and his chairman threatened to walk out because the agreement which had been signed, which the Secretary of State said was sacrosanct, had not been implemented.

It is even more extraordinary that the NCB is apparently refusing to accept that the principle embodied in the existing procedure should be incorporated into the new procedure. That principle is that while a colliery is under review there should be no redundancies or transfers, and that the status quo should prevail. That has happened in the mining industry over a number of years, but it is not happening now.

Will the Secretary of State, or the Under-Secretary, confirm that until the modified review procedure is set up the existing procedure will operate? Will they give an assurance that any pit which the NCB seeks to close will be subject to the existing or new procedures and that there will be no redundancies or transfers while the proposed closure is subject to the review procedure?

Mr. Peter Walker: If the NCB offers to go through the present review procedures, but the majority of the miners at a mine decide that they want action because the mine has no future, does the right hon. Gentleman suggest that we should ignore their views?

Mr. Orme: The procedure must be carried out and consultations should take place with the three unions concerned. The three unions were not consulted——

Mr. Peter Walker: I want to clarify this point. If the NUM at a pit in Wales wants its miners to be given transfers or voluntary redundancies, and that is wanted by the majority of those working at the pit, is the right hon. Gentleman suggesting that the NCB should refuse that?

Mr. Orme: The NUM agreed to sign the NACODS agreement, but the Government refused to allow that—[HON. MEMBERS: "Answer the question."] I am answering the question. The procedure has been violated. I accept that the Secretary of State meant what he said about the agreement being sacrosanct, but he has been kidded by the NCB.

Mr. Kevin Barron (Rother Valley): Does my right hon. Friend not find it strange that the Secretary of State is talking about the wishes of the majority of NUM members at one pit, when he ignored the wishes of the majority of NUM members who were on strike for 12 months? The right hon. Gentleman talks about ballots. Have the pits to which he referred held a ballot?

Mr. Orme: I take my hon. Friend's point. I did not want to make the point about the NUM and NACODS. The fact is that the three unions involved were present yesterday. Both the NUM and NACODS are dissatisfied with the attitude of the NCB and the failure to carry out agreements——

Mr. Allen McKay (Barnsley, West and Penistone): The Secretary of State is terribly confused about the review procedure. Rockingham colliery in my constituency went through the review procedure. During that procedure the men at the pit decided that the colliery would close and that they would either be made redundant or transferred to another pit, but that did not stop the review procedure taking place, nor did it stop those concerned accepting the view of the men.

Mr. Orme: I take my hon. Friend's point. The problems that exist, not only at Polkemmet but at many other pits, arise because there was no signed agreement to end the strike. Therefore, no agreement can take place against the background of the authority of an agreement. The Government and the NCB did not want an agreement, and that is the problem which the industry now faces. The Secretary of State did not face the realities of the position, nor did he face the facts put forward at the talks yesterday.

I deal now with the Bill—*[Interruption.]* We are talking about £2,000 million. We are talking about paying for redundancies and pit closures. I make no apology for my remarks in the debate. On the surface the Bill appears merely to extend the provisions of existing legislation, but a closer look at the possible intent and effects of the Bill gives us a clear idea of the Government's plan for the coal industry. The Bill adds £600 million to the redundancy scheme, making a total of £1,800 million. Nearly £615 million is already accounted for, but that still leaves more than £1,150 million. It is not unreasonable to assume that those figures have been arrived at by a projection of the number of people the Government hope will leave the industry. I calculate that that will involve the shedding of another 50,000 jobs at least, and possibly many more. An even more dramatic contraction can be envisaged by an examination of the finanial targets set by the NCB. To reach them, the NCB would expect to cut £650 million from its wages bill. That is the equivalent of about 65,000 jobs.

Further evidence that the Bill is designed to facilitate a rapid contraction of the coal industry is contained in the expected levels of capacity. The Secretary of State referred to the possibility of closures. The Government and the NCB have decided that during the next five years

production should level out at about 100 million tonnes a year. From where will come the 130 million tonnes about which the Secretary of State spoke during the dispute? During the next five years, 25 million tonnes of new capacity will be introduced. Therefore, it is not illogical to assume that during the next five years 25 million tonnes of existing capacity will have to be shed.

The NCB has judged that 9 million tonnes of that will be from exhausted pits. What about the remainder? We are entitled to know the policy of the Government and the NCB and whether closures and redundancies will take place. On a straight profits-per-tonne analysis, the NCB could lose about 25 million tonnes by closing 69 pits, involving 67,000 jobs. We heard that argument during the dispute. Of course, the new capacity coming on stream will offset some of that, but Selby—which will produce about half of the new capacity—will involve only 3,500 jobs.

As if that were not enough, we have to face the EC plans, which were leaked to a German news agency. I have a copy of the memorandum but the House will recall that on Monday the Secretary of State implied that the leak had no basis. I welcomed what the right hon. Gentleman had to say and I have read carefully the report of what he said. He told us that he would wait to see what the Commission came forward with, but the memorandum tells us that the plans envisage a 15 per cent. reduction in the European coal industry, which will affect, basically, the two major producers, which are Britain and Germany. It appears that EC documents project job losses throughout Europe as a result of the reduction. Britain could easily lose between 60,000 and 70,000 jobs. It seems that it is proposed to lift import restrictions to make way for the importation of South African or Colombian coal into the United Kingdom. It is proposed also to eliminate all subsidies for the coal industry by 1987.

The Secretary of State told the House on Monday that as yet there were no definite Commission proposals. I hope that during his discussions at the Council of Ministers next month he will support the British coal industry by rejecting the proposals set out in the memorandum to which I have referred. I hope that, if necessary Britain will use the veto. We cannot have countries with no indigenous coal production dictating to Britain what it should do with its own resources.

It seems that plans and projections for the coal industry have been formulated by the Government and/or the National Coal Board and that no one has been told about them, least of all right hon. and hon. Members of this place. The Secretary of State has said that the coal board is making an assessment and has suggested that it is a comparatively short time since the miners' dispute came to an end. As soon as the assessment has been completed, the House is entitled to know the projections on which it is based and to debate it.

What are the coal board's plans? What size of industry is it aiming at? What is the estimated level of manpower and where will production be concentrated? Over the past 12 months the Opposition have made many speeches on the cost of pit closures to the nation and to communities. I do not intend fully to rehearse those arguments this evening, but it remains the case that the nation gains more if miners are kept in jobs than if pits are closed and jobs are lost. At a time of mass unemployment, the resources of the coal industry will not be used to create wealth for the nation elsewhere. They will remain idle, and nothing will be gained from that. Instead of the Government taking a negative view of the coal industry and thinking in terms of cuts, closures and redundancies, their time would be better spent seeking new markets for coal and expanding existing markets. If that were their approach, there would be even less justification for pit closures.

The Government should be seeking the expansion of the industrial market through the coal-firing scheme, which could provide a market for an estimated 6 million tonnes over five years. I hope that the Minister will confirm that the scheme will continue. Important areas of expansion for coal in the public sector are schools, hospitals, Government buildings and local authority buildings. If those areas were eligible for grants under the coal-firing scheme, there would be the possibility of a market for another 5 million tonnes. The promotion of the export market, especially in Europe, would similarly negate the need for pit closures.

Sulphur content limits have been set in some European countries, such as Italy and Sweden. Scottish and Welsh coal is low in sulphur content, and it should be promoted and marketed.

I met—probably the Secretary of State did too—Israel's Minister of Energy, who visited Britain a few weeks ago. He told me that he wanted to start to buy deep-mined British coal once more. Israel has the world market at its disposal, and I asked him why he wanted our coal. He told me that it was the best coal and, from Israel's point of view, the most economic.

Mr. Peter Walker: I, too, saw Israel's Minister of Energy. Did the right hon. Gentleman ask him what price Israel would be willing to pay for our deep-mined coal?

Mr. Orme: The Minister told me that the price was economic in Israel's terms.

Mr. Peter Walker: Did he tell the right hon. Gentleman how much Israel would be prepared to pay for it?

Mr. Orme: The Minister would have to negotiate with the coal board and the Government. He told me that he was here seriously to buy coal. He told me that our deep-mined coal was among the best of its sort and was still one of the most economic coals in the world.

Mr. Skinner: Perhaps I have a more adequate answer for the Secretary of State. Perhaps my right hon. Friend should tell him that British coal is much cheaper than Slater-Walker was to British taxpayers. They had to bail it out for £110 million, when the right hon. Gentleman and his friends had been making money out of it hand over fist for many years.

Mr. Orme: I take my hon. Friend's point. If the market for coal were expanded by 15 million tonnes, pits would have to remain open to satisfy demand. The Opposition advocate that the Government should have a wholehearted commitment to gasification, liquefaction and combined heat and power. They should direct themselves to coal-burning power stations instead of turning their minds to the PWR system.

Finally, I shall deal with industrial relations. Over 700 miners have been sacked by the coal board. Reasons for dismissal have varied from area to area and there is no pattern or consistency. When Scotland is compared with South Wales and other areas, it is clear that there is an unevenness in re-employment and reinstatement. There

[Mr. Orme]

must be direct negotiations between the various unions and the coal board, but they have not taken place. Why is it that not one of the 200 miners in Scotland—all those deemed guilty of some industrial misconduct or charged in the courts—has been reinstated?

The branch secretary of one of Scotland's largest pits was dismissed on 11 September 1984. On 27 November he was tried at the Edinburgh sheriff court on a charge of having assembled with others inside the gates of Bilston Glen colliery and having refused to move when requested to do so by the police. He was charged with having committed a breach of the peace, but the charge was found not proven. What right does the coal board have to instigate its own form of justice when the courts have decided that the case is not proven? I am aware that my hon. Friend the Member for Ogmore (Mr. Powell) can give other examples.

Mr. William Cash (Stafford): Did the branch secretary concerned take the case to the industrial tribunal on the ground of unfair dismissal? Does the right hon. Gentleman have any information about that?

Mr. Orme: Industrial tribunals do not have the right to reinstate those who have been dismissed. They can recommend reinstatement, but they cannot order it to take place.

Mr. Peter Walker: That is the effect of Labour legislation.

Mr. Orme: I know that a Labour Government introduced that legislation. If someone goes to an industrial tribunal and wins his case, he may receive some compensation, but he will be finished with mining for the rest of his life. Why should the coal board institute its own procedures when someone has been before the courts and his case has been found not proven?

It appears that Mr. MacGregor would like to introduce American-style industrial relations and mining techniques into our coal industry. Recently he wrote an article about mining practices in *Mining Engineer*, which is a professional journal in America, and NACODS fears that the NCB plans to introduce American methods into the deputies' areas of work, to reduce manning levels underground and to cut statutory safety standards. Will the Secretary of State assure us that present safety standards will be maintained? We are entitled to know.

The Secretary of State talked about co-operation. We want co-operation in an expanding industry, which will involve the Government as well as management and the unions. Britain urgently needs a coherent energy policy, not a mass of redundancies and privatisations. The coal industry today is a sad spectacle. The Government should set up a tripartite meeting to consider a new plan for the coal industry, to solve the crisis in industrial relations and to set the industry back on the road to growth.

We give the Government notice that we shall not stand idly by if pits are closed and there are massive redundancies. That is not the future of the industry. We believe in an expanding and developing industry.

8.31 pm

Mr. Andy Stewart (Sherwood): Tonight my right hon. Friend the Secretary of State for Energy unveiled the latest chapter in the coal industry's need for money. I welcome his statement and endorse his commitment to the long-term prosperity of those who work in the industry. Again, this illustrates and supports the evidence which is available for all to see that the Government, more than any other, have supported the coal industry and will continue to do so. For example, if we compare capital investment between 1983 and 1986, the United Kingdom spent £3,000 million, Germany spent £800 million and France spent £150 million. The figures speak for themselves.

During a debate on the Coal Industry Bill on 15 November 1983, my right hon. Friend the Secretary of State said:

> "I do not envisage the board's need for support ending after two years, but it will be timely when new provisions are laid before this House in two years' time for the Government and the House to review the board's progress up to that point." —[*Official Report*, 15 November 1983; Vol. 48, c. 737.]

It is only 18 months since then, and the progress of the industry, solely because of the machinations of Arthur Scargill, can be described only as an unmitigated disaster for the miners and the country in general.

No one in his right mind could have predicted the events of the past 18 months, yet one man was busy putting the final touches to his attack on the democratic process of his union so that his desire for the downfall of the Thatcher Government could come to fruition. If proof of that were needed, it was in the movement of his union's funds three days before he instructed the Yorkshire area of the union to confront the board at Cortonwood, and also in the speed with which he organised and dispatched his hordes of bully boys to the areas that defied him. He makes Genghis Khan look almost like a saint.

Has the president of the NUM, in the interests of the industry, his members and job opportunities for the unemployed, decided to co-operate with the board? So far there is evidence only to the contrary. A Marxist entrusted with a mission that fails is more dangerous when given a second chance. His new orders, which he received on a recent visit to Moscow, have been published. They are completely to rewrite his union's rule book, which will enable the red army to march again. It was probably just a coincidence that that happened at the moment when an Opposition Front-Bench spokesman announced in the House that they would rescind the laws on union democracy enacted by this Government. If that happened, it would deny trade unionists the right to hold ballots, an example of which is the ballot that Nottinghamshire miners will hold soon to oppose the proposed changes in the national rule book.

What the coal industry requires for a successful future is the confidence of its work force and of its customers. Without both, the £2 billion expenditure being approved tonight will be but a drop down the pit shaft. The confidence and morale of the men can be assured by the board's investing in new pits, and the announcement of a new pit would nail the lie that the coal industry is on the way out. For those miners who put the industry before Scargill's politics, that would be the bonus of loyalty about which everyone spoke during the dispute. The sum that we are talking about tonight would be equivalent to the opening of five new pits with a combined output of 10 million tonnes of coal, at a cost of £25 a tonne, and the creation of 5,000 jobs.

I wish to draw my right hon. Friend's attention to what is happening in the Nottinghamshire coalfield——

Mr. John Home Robertson (East Lothian): Albert Wheeler, and they can have him.

Mr. Stewart: As a result of the harassment of miners and their families, miners from all the English and Welsh coalfields, but especially from south Yorkshire, are transferring to Nottinghamshire pits. It is difficult to establish the total, but informed sources put the figure at 500—or 501 if we count Albert Wheeler.

That influx of highly regarded miners has raised some unanswered questions. The principal one is: what about the need and right of Nottinghamshire miners' sons to jobs in the Nottinghamshire coalfield? To defuse what could become an untenable position, the NCB should announce a starting date for the new Witham project, which is situated on the east side of Nottinghamshire, next to three 2,000 MW power stations. That would create substantial savings in the transportation of coal to the power stations and completely absorb the new arrivals.

The generous voluntary redundancy scheme, which will be extended to 29 March 1987, is welcome; but to overcome the uncertainty beyond that period, talks on a permanent formula for early retirement at 55 based on the number of years' service should begin. Without that, many highly skilled miners will opt to leave the industry before the end of March 1987 to take advantage of the present scheme.

The confidence that industrialists require from the NCB is continuity of supply at a price which makes their products competitive. The example of ICI's faith in converting its boilers to coal-fired is one that many should follow. The commitment given by the Secretary of State to support the conversion programme should also stimulate companies in that direction.

Efficient coal production starts with management, and the board's decision to streamline the administrative areas and to bring its operational and technical services personnel to Nottinghamshire is only a start. Those who run the industry should be seen in the coalfields, and the transfer of all but a few from Hobart house to the various areas would bring renewed confidence to those who mine the coal. They could then see that decision-makers are human beings, too.

The coal industry has just weathered a disastrous storm and the taxpayers are putting up a further £2,000 million to meet the expected revenue deficits for this year and the two following years. In the interests of those who support the industry, let us hope that common sense and purpose will prevail among those who work in and run the coal industry before there is a strike by taxpayers.

8.39 pm

Mr. Michael Foot (Blaenau Gwent): One reason why a debate on the coal industry at this time is so important is that what happens in the few weeks after the end of a strike may be even more important than what occurred in the strike itself. The bitterness that can be created in the period after the ending of a strike may have its repercussions for years to come. That is partly what we are debating.

It is evident from the debate that my right hon. Friend the Member for Salford, East (Mr. Orme), who showed an acute awareness of what was happening in the coalfields during the dispute, seems to have much greater awareness of what is now happening on the ground — or even above the ground and underground—than the Minister. However, that is not exactly a novelty.

Some of us can recall what happened after the 1926 strike. The cold vindictiveness shown after that strike left traces in the industry for a much longer period and was felt even more than what had occurred in the six months of the strike itself. Eventually the trade union movement carried out the pledge that it gave at the time, that it would remove the vindictive legislation and the action taken by the Government. Just as those vindictive measures had to be overcome, although it took a long time, so the same will happen now. It may take a long time, but the Government should begin to understand the mood in the coalfields.

At a party meeting a few weeks ago a remarkable speech was made by my right hon. Friend the Member for Wakefield (Mr. Harrison), who gave an account of what had happened after the 1926 strike and of what people had sacrificed then. He quoted the case of Bill Blyton, now Lord Blyton, who was a respected Member of the House for many years. He still plays his part in guiding these affairs. The general strike left Bill Blyton with debts that took 20 years to pay off. Before the strike, as a miners' union official, he had been one of the guardians of the old poor law assistance, but during the strike he and his wife, who died in 1971, had to apply to the guardians for help. He had to pay back sixpence a week over 20 years. When he became a Member of Parliament in 1945, he received a letter from South Shields telling him that he still owed £7 2s 6d, so for the first time in his life he sat down and wrote a cheque. Such was the legacy of the 1926 strike.

In the mining communities today there are multitudes of families bearing heavy burdens. It is the duty not only of the Labour movement and the trade union movement to come to their aid, but of the Government to do everything in their power to change the atmosphere in which these matters have to be dealt with.

I know that when I say what I am about to say there may be problems and some people may say that it is counterproductive to mention it, but it has to be said. I do not believe that Mr. Ian MacGregor is fitted to do the job of chairman of the coal board.

Mr. Ray Powell: He never was.

Mr. Foot: Indeed. This is not hindsight. Some of us remember what happened in the steel industry, when we bitterly protested against the appointment of Mr. MacGregor, and particularly the absurd financial terms that were arranged. We bitterly protested because it was an insult not only to the workers but to the managers in the steel industry. There were plenty of managers in the steel industry who were capable of doing that job. Instead of that, MacGregor was brought over from America and put into the job at huge cost. Far from his contributing to great advantage, all that he did was to cut and cut. When he carried out wise measures, they were mostly measures that had been arranged by previous managers.

I wrote to the Minister at the time, so anxious was I to avoid what might occur under MacGregor-type management. I urged that somebody else be appointed. There were quite a few others who supported the Conservative party who could have been put into the job. However, the Government would not accept that advice.

During his time in the steel industry, Mr. MacGregor quarrelled with Mr. Bill Sirs, just as strongly as he did with Mr. Arthur Scargill. The bitterness in the steel industry and among the steelworkers about the way in which MacGregor went about his task still rankles in every steel

[Mr. Foot]

area in the country. After that, for Mr. MacGregor to be transferred to the coal industry was a monstrous act by the Prime Minister. I imagine that it was imposed on the Ministers in charge. I do not suppose that any of them was in favour of it happening, and certainly the coal board was not.

What has happened since? A large part of the responsibility for what has happened during this terrifying year rests directly at the door of Mr. MacGregor. The whole of that catastrophic strike could have been avoided. My hon. Friend the Member for Wentworth (Mr. Hardy), who represents Cortonwood in the House, and who represented it so well throughout the bitter dispute, has given chapter and verse of how it could have been dealt with differently if the coal board had wanted it or even if the procedures prevailing in other coalfields such as south Wales had been applied in Yorkshire. All of it could have been avoided. But MacGregor was appointed to have a fight, and he thought that he would win it much more easily.

What did Mr. MacGregor say during the strike? Whenever there was the possibility of a sane arrangement or an understanding that could be sensibly reached, he would make a statement that wrecked the possibilities. I remember when he said, "We shall have a new system of management in the coal board. We must re-establish the power of management in the board." That was an insult not merely to those who had been negotiating with the management in the previous period, but to the managers themselves, including Sir Derek Ezra. Almost every utterance that MacGregor made about the way in which the industry had been run before was an insult to Ezra and the way in which he had done it. But Ezra was devoted to the industry and showed much more sense about the way in which it should be run.

Mr. Cash: Having spoken about the vindictiveness of the Government and the way in which Mr. MacGregor has behaved, will the right hon. Gentleman explain why, under the Labour Government, when he was a Minister, no redundant miner under the age of 50 received any capital payments, whereas under the present Government, whom the right hon. Gentleman has so heavily criticised, a 49-year-old miner with 33 years' service is eligible for redundancy pay of £36,000?

Mr. Foot: If the hon. Gentleman paid a little more attention to these matters, he might learn a little more.

I accept full responsibility for everything that was done. We settled such disputes by intelligent discussion with the trade unions, and in that way this dispute could have been avoided. My hon. Friend the Member for Midlothian (Mr. Eadie) was tireless in his efforts all over the country to ensure that the agreements made under the "Plan for Coal" were properly and faithfully carried out. But MacGregor said, "The 'Plan for Coal' does not mean anything. It has been cooked up by a lot of civil servants who did not understand what they were doing." Many Ministers and miners understood what they were doing. On the basis of those agreements, we were able to proceed to expand the industry, with a good future for it. If those agreements had been faithfully carried out, we could have avoided the dispute.

Mr. MacGregor's attitude to the steel and coal industries seemed to be, "I'm not bound by anything that may have been done by my predecessors. I have been put in here to do a special job, and whatever the British Steel Corporation or the National Coal Board may have agreed before, that is not my business." Of course, one cannot conduct great industries in Britain like that. One may be able to do it in some outlandish parts of the United States, but it cannot be done here.

It was not only the managers of the industry with whom MacGregor quarrelled. We should discuss in the debate what has happened in the coal board. It has been in chaos for much of this period——

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt) *indicated dissent.*

Mr. Foot: The Minister shakes his head. He had better talk to Mr. Ned Smith or Mr. Geoffrey Kirk, who know much more about the coal industry than he does. They devoted their working lives to the industry, but they found that the method that MacGregor was using was so intolerable that they were forced to leave or be slung out. Either way, it was bad enough.

After the strike, in an interview with Mr. MacGregor, Mr. Graham Turner, a reputable reporter, who I imagine is a supporter of the Conservative party, asked:

"in the long battle with the NUM, who had been tougher, himself or Mr. Peter Walker, the Energy Secretary?"

Mr. MacGregor answered, according to the article,

"'Why do you mention him?. . . Mr. Walker had nothing to do with it. All the decisions were taken here, in this room'. He looked to Cowan for confirmation. 'I certainly don't remember anybody else being consulted', agreed Cowan."

Is that the truth? I do not believe that it is. I have always believed that the Government intervened in the dispute. For a few weeks the Prime Minister said that there was no Government intervention, but we all knew that to be false. Government intervention was exposed and everyone knew that the Government were meeting every week and almost every day to discuss strategy.

Mr. MacGregor wanted to establish some authority. He claimed that every decision was taken by him and Mr. Cowan and that the Government had nothing to do with the dispute. I do not expect Ministers to accept that.

I am sure that the Minister could say something much more insulting about Mr. MacGregor than I have dared to say, because the Secretary of State was told by Mr. MacGregor to clear off. He told the Secretary of State, "We don't need you. We have done it our way." Perhaps he did everything his way and perhaps that was why everything was so catastrophic.

To do the Minister credit, I believe that if Mr. MacGregor had not been there, or if he had had the guts to go to No. 10 and say, "We must get rid of this fellow because he is causing such trouble to the country and the industry", he could have saved a whole heap of trouble. If he had done that, a proper negotiated settlement could have been achieved earlier.

Either the story about Mr. MacGregor's relationship with the Ministry is true or it is untrue. If it is true, it is a gross reflection on the way in which the Government have dealt with a great national industry at a time of crisis. The Government have a right and a duty to instruct a board of that nature when it is engaged in such a dispute, particularly when the board is so incapable of conducting industrial relations on an intelligent basis.

It is possible that the Government did not intervene and that the story is true. The other possibility is that Mr. MacGregor is telling a complete falsehood and that the

Minister intervened by choosing sometimes to accept advice and sometimes to brush it aside. What a way to run an industry. What a way to deal with an industrial dispute. It is intolerable that the dispute should have been conducted in that way. We now have to clear up the consequences and to deal with all the individual disputes.

Most coalfields are now involved in disputes about civil liberties. People have been treated differently in different parts of the country. All the difficulties have been dealt with in different ways in different pits.

I do not wish to take away the power of the managers in the pits because they are capable of bringing some intelligence back to the industry, but when regional managers start to make intelligent attempts to solve the problems created in the aftermath of the dispute Mr. MacGregor says, "No. You cannot do that. If you do, you will be pushed somewhere else and will not be promoted like Mr. Wheeler." I know that some terrible things have happened in Nottinghamshire, but no one deserves Wheeler whatever they have done.

I hope that the Government will pluck up the courage to say how grossly mismanaged industrial relations have been in the industry. The Minister should ensure that the problems are dealt with, in the interests not only of the country but of the proper civilised treatment of great communities in our country. The mining communities must not be destroyed.

One of the ways in which the Secretary of State says that he will solve the problem is by encouraging new enterprises. The irony is wonderful because the Labour Government set up such an organisation to operate in the steel areas. We set it up on a proper basis. Ebbw Vale received more money than the Government now propose for the whole coal industry. That area needed every penny. Today that sum is chickenfeed. Over three or four years the area received about £15 million and then another £15 million. In addition, there was new investment. If £60 million or £70 million had not been invested in the tinplate industry, that industry would have been wiped out. In those difficult years we introduced an expanding investment system. We cannot operate on a tuppenny-ha'penny basis.

Investment in the steel industry has brought great benefit. New industries would have been impossible without the expertise, money and financial support of the British Steel Corporation. That process was begun by discussions with Mr. MacGregor's predecessors. When Mr. MacGregor joined the British Steel Corporation, he said that the industry had to be run down and that we should leave it to the Government. He said that the Government should put up the money. He said that the steel corporation could not be engaged in such activity. To anyone who says that Mr. MacGregor will clear up the mess I can point only to experience.

The Government must take back the £5 million or £10 million and introduce a scheme that will bring a whole range of new industries to the coal mining areas. They must ensure that the rundown of the pits that must go in the end is done at a proper pace when the whole apparatus is in working order. That is the way to do the job. That is what the Government should be saying they are doing today.

8.58 pm

Mr. Eric Cockeram (Ludlow): We are assembled to go through a depressingly familiar ritual which occurs each year. We hear from the Government Front Bench how the problems of the coal industry are exceptional this year and that exceptional measures are required. We hear how the current measure will last for the next two or three years. We hear that at the end of that period it is hoped that the NCB will be able to balance its books.

From the Opposition Benches, we hear a series of depressingly familiar speeches year after year. The Opposition resist rationalisation in the industry. They resist the attempt to make the industry financially viable. Year after year, they defend the past and seek to maintain the status quo.

The House is apparently expected to accept the same thing year after year. I do not intend to go back over the past, but perhaps we should dwell for a moment on what has happened merely since the general election. In November 1983 we were asked to sanction a sum of £650 million for deficit and social grants for that year. Incidentally, that sum was equal to £50 a week for each person employed in the coal industry. At 1983 rates, that sum approached half the average weekly wage in the industry. That money was paid through subsidy by taxpayers, the majority of whom earned less than those whom they were subsidising.

In November 1983, a little less than 18 months ago, the Government told us that the NCB's estimated loss for the year would be £200 million. That did not last very long. Practically a year to the day later, 26 November 1984, we undertook the ritual once again, except that the figures had altered. We were told that the deficit could not exceed £1·2 billion and might perhaps by order be allowed to rise to £2 billion. We were told that that amount would last some considerable time.

In May 1985 we are going through the ritual again. This time, the figure is £2·6 billion. The figure had doubled in 1984 and doubled again in 1985. There has been a fourfold increase since the general election.

These are massive sums of money. Let us try to put them in perspective. They represent a forced tax of over £110 a year on every worker in the country—or, in other words, over £2 a week in extra taxation. What we are being asked to sanction tonight is that every worker should pay to subsidise those in the coal industry, who earn higher than average wages. Those on lower incomes are being asked to subsidise them.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): The figures that the hon. Gentleman gives are relatively small when compared with the subsidies that are forced out of us for the farmers, who are substantially richer than the people to whom the hon. Gentleman refers——

Mr. Home Robertson: Steady on.

Mr. Foulkes: I include my hon. Friend the Member for East Lothian (Mr. Home Robertson).

With the one notable exception of my hon. Friend, many of the farmers who receive substantial amounts from the taxpayer are represented on the Government Benches and, indeed, in the Cabinet. Why is the hon. Gentleman so selective? Why does he deal only with a subsidy to the coal industry, when subsidies to the farmers, many of whom are millionaires, are much greater?

Mr. Cockeram: The House is not being asked tonight —[HON. MEMBERS: "Oh."] I would be called to order if

[Mr. Cockeram]

I responded to the hon. Gentleman's question. The House is being asked to approve a massive sum for the coal industry. It is interesting that the Opposition regard that as a relatively insignificant sum. *[Interruption.]* The hon. Gentleman used words to that effect. We shall have to read *Hansard* tomorrow.

The extra tax of £2 a week on every worker in the country to subsidise the coal industry workers is having to be paid by all those trade unionists who refused to support the mine workers in their strike. The electricity workers, the steel workers and a host of other workers refused to come out in support of the mineworkers, yet tonight the House is being asked to tax those people who refused to support the mineworkers by a compulsory levy of £2 per week.

Mr. Hardy: The hon. Gentleman is regaling the House with statistics. Part of this large and important sum of money is to help meet the cost of the miners' strike. I have worked out that the cost of the miners' strike, according to the Government's figure of £6,500 million, is £32,500 for every person engaged in the coal industry. The point that the Opposition are making, and were making before the strike started, is that it would be highly desirable for the nation to avoid that massive expenditure.

Mr. Cockeram: Indeed, it could have been avoided if the miners had been allowed a ballot. This massive sum works out at £16,000 per worker in the industry, and that is under this year's measure alone.

The House and, indeed, my hon. Friends have been through many traumas because of the proposed cuts in Government expenditure for relatively piffling amounts as against the sum that we are being asked to authorise tonight—a cut in parental grants for education, a cut of £75 billion in regard to generic prescribing and a host of such measures—yet in one three-hour debate on Second Reading of a Bill that was introduced only on Thursday last week we are being asked to approve a compulsory taxation on every worker in the country totalling £2,650 million.

Given the Government's regional policy and the objective of seeking to direct industry to the north of England and other places of high unemployment, I suggest to the Ministers concerned that there is no case for continuing to subsidise one industry in the south-east, namely, the coal industry. There is no case for continuing to subsidise the Kent coalfields. They are in the south-east of the country in which no other industries are allowed to set up and receive subsidies. In accepting this measure, we will be continuing to support that industry.

My right hon. Friend the Secretary of State, in introducing the measure to the House, said that this level of subsidy to the coal industry in the past has been intolerable. I agree with the Secretary of State that this level of subsidy has been intolerable. The level now proposed by definition must be even more intolerable.

9.7 pm

Mr. Alec Woodall (Hemsworth): In my opinion, this Coal Industry Bill is no different from previous coal industry legislation introduced by the Government and it will probably be no different from any future coal industry legislation that may be introduced by the Government.

The Government have declared their firm intention that the coal industry should break even by 1986-87. They say that they want to bring down the cost of coal to help industry. I do not believe them. The whole idea of the Coal Industry Bill, as with previous, and no doubt future, coal industry legislation, is to make the industry break even so that the Government and the National Coal Board together can sort the wheat from the chaff and close the uneconomic units, after which they will prepare the industry for privatisation.

The Minister, I note, shakes his head. I am pleased that he does, because I intended to ask him whether he would deny this when he winds up the debate.

Mr. David Hunt: I shall.

Mr. Woodall: I am grateful for the Minister's advance notice.

I hope that I am not being unparliamentary when I say that I just do not believe the Government. The thousands of millions of pounds that the Government boast they are investing in the industry are being invested for one reason only. The Government are involved in asset-stripping and closing down pits in order to prepare the industry for privatisation. The amount of money about which the Government have boasted pales into insignificance when one considers what it has cost them to beat the miners in the recent dispute. That strike was caused deliberately by the Government when they announced five pit closures without any prior consultation. The amount of money that it cost to win the Falklands war was peanuts compared with what the Government were prepared to spend to beat the miners.

The Secretary of State spoke of the loss of coal faces. I am more concerned about the loss of pits, because the first closure to be announced after the strike ended was Ackton Hall colliery in my constituency. That colliery is the life-blood of Featherstone, and we are concerned about what will happen to that community when the pit closes in a few months' time.

It is said that if Featherstone Rovers needs footballers, one need only whistle down the shaft and up will come players good enough to go straight into the first team. I am proud of that because I am a vice-president of Featherstone Rovers, and we have not had a bad season. We finished ninth in the league, and we had no crowd trouble. We do not need an electric fence. I point out to the chairman of Chelsea that last February an electrical fault was the cause of Featherstone Rovers' grandstand being burnt down. There must be a moral there.

I am particularly concerned about job opportunities for the youngsters of Featherstone when the colliery has closed. The men will be transferred. Those under a given age will be found jobs at other collieries. Fortunately, Featherstone is only a dozen or so miles from the Selby complex.

What will happen to the youngsters of the area? It is all very well for the Secretary of State to talk of the enterprise scheme and how 200 jobs have been created as a result of it. When the Ackton Hall closure was announced, I made inquiries of the NCB about the enterprise scheme, and the details that I was given were confusing. In any case, £10 million is inadequate to make up for the jobs that will be lost in mining areas such as Featherstone, Hemsworth and South Kirby. A total of £10 million will be only a drop in the ocean. Far more jobs are being created by the efforts of local authorities.

I urge hon. Members to take care lest they think that the enterprise scheme is designed to hand out money for the provision of jobs. I have a letter from the chairman of the NCB which makes it clear that the money will be given in the form of a loan. Not many jobs in areas such as mine will be created simply by money being loaned. We need real aid, and £10 million will go nowhere towards solving the problem.

The Secretary of State referred to the need for "rational decision-making." We cannot divorce this debate from the recent dispute. The right hon. Gentleman can talk all he likes about the need for the NCB and the NUM to reach rational decisions together, but in the present climate rational decision-making is an impossibility. That is a pity in view of the good will that was built up in the coal industry since nationalisation, and a great deal of good will was needed.

Nor should Conservative Members refer to clap-trap about the bad old days being uttered from these Benches. I lived through those times.

My right hon. Friend the Member for Blaenau Gwent (Mr. Foot) talked about Lord Blyton paying his debts. I know all about that, because it happened to my own mother, who was widowed in 1926. My father died of a broken back in a pit accident, but his rent book was never changed. My mother went to court after the strike to be charged with owing rent. When my father's name was called, she stood up and said that she was there to reply. She was told that there was no case against her, but she said that she wanted to pay all the money that her husband owed on the rent book. It took her until 1945 to pay off at sixpence a week the sum imposed by the court.

Mr. Cockeram: Does the hon. Member accept that those miners who have incurred debts as a result of the recent strike had no opportunity whatsoever to decide whether they wished to go on strike? They were forced to incur those debts because they were forced out on strike without a ballot.

Mr. Woodall: The hon. Gentleman has overlooked the fact that I am a Yorkshire miner. The strike started in Yorkshire and it was virtually solid to the bitter end. A ballot was held in Yorkshire, and permission was given to the Yorkshire executive committee to call the men out on strike if any pit in Yorkshire was closed for a reason other than seam exhaustion. The ballot was taken in 1981 and 84·6 per cent. voted in favour of strike action. When it was decided to close Cortonwood without prior consultation, the Yorkshire miners to a man walked out and remained out until the end of the dispute. All this claptrap about not having a ballot is a load of nonsense.

It is all very well to talk about rational decisions, but they have gone for good. The good will and the open-door policy which were manufactured, worked and slaved for and brought about men such as Arthur Horner, Will Paynter, Joe Gormley, Lawrie Daly and Lord Ezra, Ned Smith and Geoffrey Kirk on the board side have now gone. Instead of our having an open-door policy, the door is now, and is likely to stay, firmly locked, bolted and barred.

This week a strike started at my old colliery, the South Kirby colliery, where I worked before I came to the House. Four men were sacked. Their crime was vocal intimidation. I spent six and a half years in the army during the last war and I found that there was a crime called dumb insolence, and my God it was a terrible crime. One smack in the face by dumb insolence and we saw stars. Here we have four men committing a crime that is far worse—vocal intimidation. If grown men cannot fall out and have words, whether it be about Steve Davis and Dennis Taylor, Everton and Manchester United or Arthur Scargill and Ian MacGregor, without getting sacked, where the hell is the industry going?

It is all very well to talk about rational decisions. I have here a newspaper which was sent to me this week. I do not recommend it to anybody, but I want to point out a headline on page 3—"NCB's duty to heal wounds."—[HON. MEMBERS: "Hear, hear."]—Yes, "Hear, hear."

How can wounds be healed when, as soon as the strike is over, the National Coal Board decides on a policy of reorganisation and promotion and the men who are promoted are the hardliners — those who have issued dismissal notices to men without any thought of giving them back their jobs. Yet we are talking about rational decisions.

At practically every pit in my area the local branch officers, who have to deal on the spot with any dispute that might occur, have all been told, since the strike ended, that they have to take backshift work, work afternoons, nights, and all the hours of the day. Normally they were on regular days so that they could be present and meet management to talk about the disputes which crop up day by day—probably nipping many little disputes in the bud. They have all been put on regular rota and backshift work, which makes it virtually impossible for any pit manager to call on his branch officers and get a reasonable decision or to talk about any possible dispute. That is why South Kirby colliery is now out on strike and calling for the rest of Yorkshire to come out. Four men who had a vocal punch-up at a bus stop have been sacked. Yet people are talking about coming back to the making of rational decisions.

I am worried about the coal industry. I worked in the pits for most of my life. I started when I was 14 years of age. I left the industry to come to this House in 1974. I have been a member of the union ever since I started work as a boy. I served on the consultative committees and worked through my branches to make my pit a happy pit. There is no such thing today as a happy pit, and there is nothing in the Bill to make any pit happy. The Bill is inadequate. There is nothing in the Bill to improve industrial relations.

I should like to know why there is no mention in the Bill of the enterprise scheme. *[Interruption.]* Something needs to be in the Bill if we are to help areas in which pits are being closed.

There is no one in the House with his ear closer to the ground than mine in mining areas. I speak as a practical man. There are nine pits in my area and I know the officers of every one of them. I know the feelings in every one of them. It is no good talking about getting back to normality. At the present time that is impossible. The Government are to blame for that, and I do not take any joy in having to say it.

It is no use Conservative Members paying lip-service to the coal industry. We are wise to them. The Secretary of State for Transport let the cat out of the bag. The only sympathy that Conservatives have for the coal industry —if it can be called sympathy—is related to getting the industry on to a rational, saleable footing, so that it can be sold off. Bit by bit they will get rid of it. Pits that cannot

[Mr. Woodall]

match up to the Government's economic considerations will go by the board. There will be more closures, there will be more job losses, and there will be more unhappiness in pit areas such as mine.

I take no joy in having to state the simple truths about what people think in areas such as mine which depend on coal. We have depended on coal all our lives; it has been our life-blood. The Government are going to drain the life-blood out of us. Shame on them for it.

9.23 pm

Mr. Francis Maude (Warwickshire, North): I have listened to the debate with growing astonishment and wonder. When the right hon. Member for Blaenau Gwent (Mr. Foot), as befits a distinguished historian and essayist, took us on an excursion into the past, my wonder increased. The hon. Member for Hemsworth (Mr. Woodall), in the latter part of his speech, gave a spirited defence of intimidation, and increased my astonishment further.

It occurred to me to speculate on what a casual visitor to the Chamber, who did not know what the Bill contained, would think we were talking about. We had wonderful sentimental phrases from the right hon. Gentleman about "this great industry of ours". In what I hope was a slip of the tongue he referred to "this great industrial dispute of ours". It was an unfortunate slip of the tongue. When we refer, in a slightly sentimental way, to this great industry of ours it is salutary to remember, as we were reminded by my hon. Friend the Member for Ludlow (Mr. Cockeram), who injected a welcome measure of common sense into the debate, that we are referring to an industry which costs the taxpayer every year well over £1,000 million. This Bill will enable a further £2,600 million to be paid to the coal industry, yet the Opposition would have us believe that this is a wicked measure which will allow the great coal industry of Great Britain to be sold to Taiwan. Instead, it will enable an enormous amount of money to be levied from the taxpayer and paid to a bankrupt industry in order to keep a large number of men in work.

As Mr. Speaker reminded us yesterday, the House of Commons has the sole right to levy taxes in this country. Therefore, it behoves us to remember that this represents a levy on every taxpayer in the country of £2 a week in order to sustain the industry. When I hear the hon. Member for Hemsworth say that we are paying lip service to this industry it annoys me. If £2,600 million is paying lip service to the industry, Heaven help us when we actually get down to business.

Mr. Woodall: The hon. Member has referred to the cost of this industry to the country. Does he realise that from the day that the very first sod was cut the Selby complex cost £2 million a week? That continued for three years before a single nut of coal was mined. Money is invested in the mining industry and the return on the investment comes later. But the Government intend to sell off the industry.

Mr. Maude: I shall ignore the last part of the hon. Gentleman's intervention, a leit motif that ran through his speech which is wholly irrelevant to the discussion of the Bill. Instead, I shall concentrate upon the substance of his intervention. He referred to the public money that has been spent upon developing Selby. That is investment and is wholly separate from the sums of money with which we are dealing. We are dealing in the Bill with a subsidy for revenue deficit and with various other revenue subsidies. We are not dealing with capital. Capital is in addition. When the hon. Gentleman refers to Selby he ought to sort out the difference between capital and revenue. I do not think that he is clear in his own mind about the difference between the two. We are talking about a vast sum of money which makes investment in a number of other industries seem insignificant. My hon. Friend the Member for Ludlow told us that over the last three or four years the amount of money needed to sustain coal miners in work has doubled every year.

Mr. Barron: Not in Warwickshire.

Mr. Maude: The hon. Gentleman refers to the pits in Warwickshire. I represent, as does the hon. Member for Hemsworth who preceded me in the debate, a coal mining constituency. I shall deal later with the Warwickshire aspect of the industry. My right hon. Friend the Secretary of State for Energy expressed the hope and the intention that by 1987 the coal industry would break even. I am sure that I am not the only hon. Member who has heard those sentiments expressed on previous occasions. One might call them pious hopes. However, every 18 months or two years a similar Bill is introduced.

I believe that I am not alone in thinking that the coal industry will start to break even and seriously address itself to the problems of losses, uneconomic capacity and subsidy only if it is told that in 1987 the tap of public subsidy will be turned off. That would concentrate the minds of all those connected with the industry, including managers, deputies, miners and, I hope, hon. Members who have the honour to represent coal mining areas.

Mr. Allen McKay: Would the hon. Gentleman care to explain to the House what he believes is uneconomic capacity?

Mr. Maude: No. I make no apology for that reply, because I am an hon. Member, not a coal mine manager, and it is for those who are employed to manage the industry to decide what is economic and what is uneconomic.

I know about the argument that the hon. Member for Barnsley, West and Penistone (Mr. McKay) would like to adduce, namely, that it is not always a straightforward matter to decide which mines are economic. Of course, it is a difficult decision, but the House raises the money to pay for the losses and we can see that the industry as a whole is grossly uneconomic. That problem must be addressed quickly.

Two avenues must be followed if the industry is to break even and become cost effective. The first is the reduction of uneconomic capacity. Labour Members sometimes react as if that had never been done before and as if private industry had never had to do that. All industries constantly have to examine their capacity to see whether it is efficient and economic. If it is uneconomic, it must close. It astonishes me that, after all that we have been through and after all the debates on these matters, there can be any remaining doubts about that. Yet the sentimentalists and traditionalists on the Opposition Benches wish to retain the system under which we have a major battle every time it is proposed to close even a small amount of uneconomic capacity.

Mr. Barron: Will the hon. Gentleman give way?

Mr. Maude: I wish to be brief, so I hope that the hon. Gentleman will forgive me if I do not give way to him.

The other avenue that has to be followed is the development of new, low-cost capacity. We have heard about Selby and Asfordby and no doubt various hon. Members will mention other possible developments. Hon. Members will be keen on such developments if they are outside their constituencies and less keen if they are in their constituencies. I am in the first category in talking about the prospects of developing the south Warwickshire coalfield. We have the potential there to develop the most profitable coal in Europe. It is an enormous reserve, which can be easily mined and it would help enormously to reduce the average cost of British coal.

I wish that we did not have to go through this degrading business of discussing enormous levies from the taxpayer to sustain the coal industry. I should like to see a low-cost industry which is exporting—as it used to—is high volume—as it would be if we were exporting—and pays high wages. Labour Members talk about American styles of mining and management. I should like to see American-style wages, because miners in parts of the American industry earn £25,000 a year. Do Labour Members wish to pretend that that is not so? Should not they be fighting for such wages?

Mr. Barron: Where is the hon. Gentleman's evidence?

Mr. Maude: The evidence is readily available and I will provide it for the hon. Gentleman. One of my hon. Friends tells me that the evidence is in the Library. I do not have the evidence with me, but I can certainly pinpoint it for the hon. Gentleman.

Members sponsored by the NUM and NACODS should be jumping up and down with glee at that prospect, bullying the Government to take those steps and banging on the door of Hobart house fighting for those developments and for a high-wage industry. We should put these degrading spectacles behind us and move to a high-wage, high-volume, low-cost industry as quickly as possible because that must be the future for the coal mining industry in this country.

9.35 pm

Mr. Jack Dormand (Easington): We had an extremely disappointing speech from the Secretary of State. I appreciate the limitations on a Minister introducing a Second Reading debate, but the Secretary of State failed to address himself to the immediate problems which have arisen as a result of the strike and which will continue for a considerable time.

Regrettably, too, the Secretary of State implied in the first part of his speech that the dispute had been caused by the National Union of Mineworkers. Any fair-minded person, certainly anyone with the Secretary of State's intelligence, would have said at the very least that there were two sides to the problem. For reasons that we have given many times in the House, we believe that the strike was caused by the National Coal Board, not least by its chairman, and by the Government themselves.

Having begun in that extremely disappointing way, the Secretary of State went on to talk about "rational decisions", by which he meant Government decisions. Government decisions are not rational decisions, although I hope that from now on some literally rational decisions will be taken.

The Bill will help to accelerate pit closures. As the Government and the NCB are hell bent on that objective, we must consider what can be done to mitigate the effects of such a misguided policy. It should be stated clearly and firmly that what was said during the strike about the case for coal and about the effect of pit closures on mining communities is as relevant today as it was every day throughout the dispute.

I intend to ask some specific questions and I hope that we shall get specific answers from the Minister. Those questions are crucial not just to the industry but to the inhabitants of mining areas. First, however, I should make it clear that I have never shared the Government's view that confidence in the industry has been lost. I can understand that view, but in fact throughout the year-long dispute that loss of confidence did not take place. I shall give two examples.

On 20 February, the Minister replied to a question from me about the coal-firing scheme, in which I have taken a special interest because boiler conversion to coal is important for the development of the industry. I asked how many projects had been accepted and the amount of grant paid in each year since the scheme began. It is significant that in 1983, before the strike, 127 projects were accepted compared with 94 in 1984. More than once in debates and at Question Time the Secretary of State gave the clear impression that the scheme was virtually at a dead end because business men were no longer applying for it, but the Minister will readily agree that the figures that he gave on 20 February show no such lack of confidence in the industry. During 1983, grant for the 127 projects amounted to £3·82 million. Last year, grant amounted to £6·72 million—double the previous year.

Mr. David Hunt: I am sure that the hon. Gentleman will recall that my right hon. Friend the Secretary of State said on many occasions during the past year that he hoped that 1,000 firms would convert to coal. Unfortunately, the strike destroyed those plans.

Mr. Dormand: I do not accept that—it is a red herring. We are entitled to compare the number of projects that received grant last year during the thick of the strike with those that received grant the previous year.

I have to be careful about my second illustration because I do not want to reveal too much. During the past few days I have spoken to a senior manager—he is not really a manager, but I have to disguise him as he is at a very senior level in the coal industry. He is concerned about recruiting markets. He has been around the world a little and I asked him what was happening. He said that it was tough, but the markets were coming back.

Mr. Hunt: It is vital for the future of the industry that markets return. I have visited many potential coal conversion schemes during the past few weeks, and at last confidence is returning. However, it is returning for one reason—because during the 12-month strike the NCB, thanks to the efforts of its marketing department, was able to keep the industry supplied. The working miners kept confidence in the industry.

Mr. Dormand: The Government cannot have it both ways. The simple fact is that markets are returning because there is confidence either in the short, middle or long-term future of the industry. The Minister gave a non-answer.

My first question relates to the £10 million that NCB (Enterprise) Limited is making available for the rejuvenation of the coal mining areas. The first announcement about such aid three or four months ago involved only £5 million. Someone described it as chickenfeed. Then, in answer to my parliamentary question, the Secretary of State said with great pride that the sum had been doubled to £10 million. My constituency could use £10 million, let alone the whole of the British coal mining areas. Is there any likelihood of that sum being increased? I know that the right hon. Gentleman said today that it would be increased, but I hope that that will not mean an increase to only £12 million or £12·5 million. We need a minimum of £50 million.

Let us consider what happened in the steel industry. I remind the House of Consett in the county of Durham. Money should have have been made available to that area, but almost no improvement has occurred in that part of Durham. I implore the Government vastly to increase publicity about the scheme. I have spoken to a number of business men in my constituency and elsewhere but have come across only one who has heard about the scheme and applied for aid.

My hon. Friend the Member for Hemsworth (Mr. Woodall) said that administrators were uncertain of what to do. I do not blame them for that. They are hesitant to consider a grant. I urge the Minister to take a close look at this matter and ensure a speeding up in the granting of money.

My second question relates to the contribution that the Department of Energy will make towards reconciling mining communities with the police. I hope that the Minister will not play Pontius Pilate and say that that is a matter for the Home Office. It is a matter for his Department, and I am pleased to have the Minister's assent. I accept that it is a matter also for the Home Office. I cannot stress too much that relations between the police and mining communities have broken down. I am proud that I have been a member of a mining community all my life. I am proud also that I come from a mining family. Mining communities are great respecters of law and order, or have been. I tell the Minister with all the force that I can muster that that is not the attitude now in mining communities. I hope that the Department of Energy will make a contribution to restoring respect for law and order.

What do Ministers in the Department of Industry intend to do about the wholesale breaking of local agreements? If anything was designed to poison industrial relations, it is the breaking of the agreements, which were a demonstration of flexibility and good management in a particular pit or local area. In some areas a seven-and-a-half hour shift was agreed for good reasons, but there is a move back to the old eight-hour day. That has been happening throughout the area which I represent. It is a demonstration of the hard line which the coal board is taking, with the knowledge of the Secretary of State and the Under-Secretary of State.

What are the Government's policies on opencast coal mining and on the importation of coal? We all know that strip mining is so much cheaper than deep mining. We want an assurance that the balance will not be changed to the disadvantage of deep-mined coal. This is important for the future of the industry.

I wish to draw the Minister's attention to the coalfields', local authorities' and communities' campaign. It is a consortium of local authorities whose communities will be affected seriously by pit closures and colliery job losses. Will the Secretary of State undertake to have continuing consultation with the consortium? It will ensure that all the problems stemming from closures and job losses will be collated. The problems should be considered by the Government if they are concerned genuinely to restore good will and economic progress in the coalfields.

I believe that the Government are underrating the problems in the coal mining communities. Some would say that it is more likely that they do not care about the problems. The Secretary of State has said nothing this evening to convince me that the Government care and that they are prepared to work constructively in areas such as the one that I represent. The breaking of local agreements is a perfect example of how not to improve industrial relations after a dispute. The provision of £10 million for new jobs is already being laughed at by miners and their families. It is a sign of the Government's lack of real commitment to rejuvenate miners' communities. Thousands of young miners who have been made redundant will not have another job for years. I beg the Secretary of State to undertake a complete reappraisal, in spite of what has been said this evening, of the future of the industry in mining communities. The Bill does not even begin to meet the problems.

9.48 pm

Mr. Peter Rost (Erewash): I regret that I cannot support the Bill. I have seen too many Coal Industry Bills to stomach yet another. I have heard it all before. I have heard all the promises about the industry breaking even, but each new Coal Industry Bill is accompanied by even greater handouts from the taxpayer. The more subsidy we provide, the less financial discipline remains.

We should have before us a Bill that includes the repeal of the nationalisation Act. The industry should be restructured to promote the development of competition. Such a Bill should promote private investment in the industry. It would serve the miners and the communities to better advantage.

The Government's successful privatisation programme was implemented not only to raise cash for the Treasury. The Government's central strategy is that it will improve the efficiency and competitiveness of the economy if we reduce public sector expenditure. That has been the motivation. Could any industry be more eligible within that central strategy than the coal industry?

If we are to make the industry self-supporting and profitable, if we are to improve conditions and industrial relations, the only way to achieve those aims is through privatisation, as the Government have admitted with all their other privatisation measures. Why should the coal industry be exempt? Indeed, it should be the top priority, because it has been a bigger burden on the economy than have other industries, and it is more vital to the future of the economy than are many industries which have been privatised.

I would argue further that, had the industry been privatised earlier, we would not have had the recent terrible, damaging dispute, because the hopelessly

uneconomic capacity would have been closed long ago, new investment would have gone ahead earlier, industrial relations would be more harmonious instead of being chaotic, productivity would be higher and the earnings of those working in the industry would be better.

Mr. Barron *rose*——

Mr. Rost: I shall not give way, because I wish to be brief.

If anything is to be learnt from the latest dispute, it is that nationalisation has been disastrous. It has not fulfilled its promise. Even if there were political, economic and social justification for nationalisation in 1946, those arguments are completely irrelevant now. It must be evident that nationalisation has brought weak, inefficient and bureaucratic management and poor industrial relations. It has not brought incentives or rewards to those who work in the industry. Morale has been poor from top to bottom, and marketing has been uncommercial.

Mr. Barron: Will the hon. Gentleman give way?

Mr. Rost: No. The hon. Gentleman will have an opportunity to make his own speech if he allows me to make progress.

The cost to the nation of endless subsidies to the coal industry has been a huge burden on our economy. Consumers have suffered from unnecessarily high coal prices, which in turn have brought uncompetitive electricity prices. That has aggravated our industrial decline and created unemployment. The high price of electricity and the burden on the Government of having to finance these huge and ever-increasing deficits have prevented those resources from being deployed in other areas. I estimate that, since 1966, coal board deficits that have had to be financed by endless Coal Industry Bills, adjusted to today's money terms, amount to £7 billion. If we add the figure in this Bill, the amount is more than £9 billion. In addition, we have written off from the balance sheet another £6 billion in capital debt. None of those figures includes the investment programme on which we have not had an adequate return.

If that huge cost to the economy had produced an efficient industry and low-cost coal, there might have been some justification for it, but it has not done so. Indeed, it has had the opposite effect. It has perpetuated the inefficiency in the industry, and now we are being asked to provide more. Had those subsidies been allocated to other more cost-effective projects, we could, for example, have had a Severn barrage providing 10 per cent. of our electricity at the cheapest possible cost. On top of that we could have had three or four nuclear power stations, again providing the cheapest power that we could have, and we would still have had enough left over to build about 10 major combined heat and power district heating schemes, which would provide cheap heat for millions of our citizens. We have done none of that. Year after year we have sunk in increasing subsidies to the coal industry——

Mr. Barron: Will the hon. Gentleman give way?

Mr. Rost: I have already said, if the hon. Gentleman will forgive me, that I should prefer to allow him to make his own speech if he will let me make a little progress.

Therefore, I argue that, whatever justification there might have been for nationalisation in the past, it is totally irrelevant today. We should now get on with the restructuring of the industry. Its monopoly powers should be broken. Opencast mining should be hived off entirely from the coal board, with the Department of Energy as the licensing authority. Then it would be not held back and restricted, but set free to compete.

We already have a deep-mine private sector coal industry, with about 130 mines. Why should each mine be restricted to 30 miners and limited production? Why not allow the monopoly statute to be broken so that we can encourage private sector mining?

Why cannot we have mineworker and management buy-outs, as with the National Freight consortium, so that the miners can benefit from what they produce in terms of profit-sharing? In that way many of the so-called marginally uneconomic mines could turn out to be marginally profitable.

With regard to the new coal areas, there is no reason why private sector investment should be prohibited from participating. Why should British companies, such as British Petroleum, with huge mining expertise, have to invest abroad in coal mining and be prohibited from participating in our industry? Many British enterprises would look for successful investment opportunities in the coal industry if they were allowed to participate. We could be producing at least 60 million tonnes of coal in the private sector at below £30 a tonne. The rest of the production could still be subsidised on a phased-out subsidy, but it would be far more cost effective to the taxpayer if subsidies were made available to the private sector rather than to the NCB.

My argument rests on my concern for the industry. Why should miners, who have had such a raw deal from nationalisation and, more recently, from their NUM leaders, be denied the benefits and advantages that have come to workers in other industries that have been privatised—profit sharing, share ownership and other real incentives? Why should they not be allowed to benefit from the advantages that are enjoyed in industries that have been liberated from the state?

If it were the Government's intention to provide the consumer, the taxpayer and those working in the industry with a better deal, we would be moving in that direction in the Bill. We have the largest reserves of economically recoverable coal in western Europe. We know that coal has an increasingly important role to play in our energy economy and that of western Europe in the two or three decades to come. We have a huge potential for increasing, not contracting, production, because of the export markets that we could win back and because of the new markets from pulverised coal, coal gasification, combined heat and power and fluidised bed. We could win back markets that coal will have to win back in the long term in any case. That potential has not been exploited by the nationalised industry. Indeed, it has failed to do so. Yet that potential will need to be developed if our economy is to benefit.

On past performance, there is little to inspire confidence that the industry's structure can be relied upon to harness its enormous potential, even if we could afford the huge price of retaining the industry in the public sector We must now set it free and give it an opportunity to realise that it must make a critical contribution to the national economy.

9.59 pm

Mr. Michael Welsh (Doncaster, North) *rose*——

It being Ten o' clock, the debate stood adjourned.

Ordered

[Mr. Michael Welsh]

That, at this day's sitting, the Coal Industry Bill may be proceeded with, though opposed, until any hour.—*[Mr. Peter Lloyd.]*

Question again proposed, That the Bill be now read a Second time.

Mr. Welsh: Some hon. Members have attacked nationalised industries and have said that if they were privatised they would not have to be subsidised. One industry which is not nationalised is farming. It is efficient and receives subsidies year after year. Conservative Members contradict themselves. They vote in favour of subsidies for farming. I do not criticise that, because it might be necessary to subsidise the farming industry to make food cheaper, but if that is so hon. Members should not attack subsidies to the coal industry.

Mr. Barron: Earlier an hon. Member said that a £10 million subsidy to the NCB was chickenfeed; but chickenfeed producers also receive subsidies.

Mr. Welsh: That is a fair point.

We must consider other countries, especially those in the EEC. The 1983 subsidy for the United Kingdom was £7·4 per tonne. For West Germany the subsidy was between £11 and £12 per tonne. For France it was £19 per tonne and for Belgium £13·3 per tonne. Our industry receives the lowest subsidy in the EEC. The figures are not mine, but from the EEC accounts.

One of the reasons for the coal subsidy is that our coal is sold too cheaply. After the war, the market price for coal could have stood an increase of £1 or £2 per tonne, but inflation had to be kept down. It could have been a rich industry if the market price had been charged. Selling coal so cheaply helped business and the country, but it did not help the industry or the miners.

The Bill is supposed to help the industry in the next three years. The Government figures are always a year behind the coal board accounts. The grants allocated for 1987 will be paid in 1988. The grants would then be given in a financial year that was the same for the Government and the NCB. Otherwise the grants will be for a different financial year. That would mean that the NCB might not have to break even on the Bill in 1987, but could carry on till 1988. I hope that the Minister will be able to explain how he hopes to help the industry through that crucial period.

Can the Minister also tell us how far the administration costs are charged to the NCB? Perhaps he could give us a percentage figure. I am also interested in deferred payments. They are not referred to in the Bill. We never seem to see the figures. I shall take the example of Thorne colliery in my area. It is a new colliery. About £3 million is being invested at the pit bottom this year, and about £20 million or £30 million is needed to start the number three shaft working. With Thorne colliery as with all new pits, the critical path is about 10 years. A tremendous amount of investment will be needed before coal is produced. Will the money be borrowed on deferred payment terms? If so, is that money over and above the sum that the NCB is permitted to borrow?

The NCB can be criticised for borrowing from the Government but is not allowed to look anywhere else. It is not allowed to turn to the free market or to the EEC. Especially with regard to new developments that are in the pipeline, it is important that the NCB should not be expected to break even when it is borrowing millions of pounds that will not bear fruit for some time because of the critical path.

Managers do not produce coal. They are necessary, and they are responsible for the colliery, but they do not produce coal. One might say that machines produce coal, but the machines have to be worked by miners. If the relationship between the management at colliery level and the miners is unsettled—and it is unsettled to say the least—there will be no coal production. The relationship is very bad. Some of the lads are saying, "Wait till the black stuff comes out. There will be good relations then or they won't get it." It is vitally important that relations at colliery level should be better.

Then there is the question of custom and practice accepted at the pits for years. Not all customs are good. Some may be good; others could perhaps be reconsidered. However, management is breaking them without any negotiation at all. It is unbelievable that a management that wishes to work with the men and produce coal should behave like that.

For example, some lads work in water from the roof. That water is very salty and sometimes there is oil in it. When a miner has worked on the coalface or the frontlip for six hours, he is ready for a bath. It was the accepted practice and custom that the men arrived an hour earlier, although they did not leave the pits earlier because it took them that long to bath and to scrub off. However, the management stopped it. When the lads reach the pit bottom now, they stand waiting in the queue with their clothes wet through because the management has decided that the local agreements just do not stand up. It is not logic. If I were a manager—of course, I am not—I could not do that because I would want the men to produce more coal for me.

It is the duty of the Secretary of State to bring this matter to the attention of the leaders of the nationalised industries. We all want an efficient industry. The attitude of management must change. Managers must work with the union men. They are not even negotiating compensation cases. These cases are important, and they must be settled. The Secretary of State would do well to discuss this matter with higher management to see whether something can be done to improve the silly method of industrial relations which has continued since the dispute ended.

I agree that the industry needs increased productivity, but it also needs increased production. It is no good increasing productivity if production is decreased because the unit costs then fall on a smaller number of units, and pits which were economic will be made uneconomic. I can remember the Minister stating during the strike that the production target should be 125 million tonnes, an increase of 25 per cent. That is good sense. The market is at fault because it is left to the whizz kids of the NCB, the sellers of the coal. For selling coal abroad, one may have to use different methods. Indeed, coal may have to be sold cheaper for various reasons. There is nothing wrong with that because it will keep down the unit costs. I hope, therefore, that the Minister will agree that production as well as productivity must be increased. If not, the industry will never break even, because the unit costs will increase.

We must work for an efficient industry, although I do not agree with the closure of pits. Towards the end of the century, we will need all the coal that we can get in order

to extract its oil content for the use of other industries. If we consider the matter in any other way, we will be taking too narrow a view. We must aim for a good and efficient industry and, in so doing, we must look after the work force. If we look after the miners in the British coal industry, they will produce the coal for the country.

10.13 pm

Mr. Peter Hardy (Wentworth): I wish first to pay tribute to the hon. Member for Orkney and Shetland (Mr. Wallace), who has been present throughout the debate—the only member of the Liberal party who has. He must carry a heavy burden, of course since he also represents the Social Democratic party, not one member of which has been present throughout the debate. Those hon. Members with coalfields in their constituencies read frequently in the local papers of the passionate concern for the coal industry demonstrated by that other half of the alliance.

Although they are not present, they may share the Secretary of State's view that there are substantial prospects, that we have good reserves that the investment record, to the tune of 95 per cent., is British-based and that over the years the NCB has ensured and will continue to ensure that we have a leading mining engineering and mining equipment industry. I agree that industry has an important part to play, but its future depends on the size of the base of the British mining industry.

If we are to achieve improved productivity, two aspects must be borne in mind. First, the Government's economic and industrial policy must be reversed. The main reason why productivity gains were not achieved in the early 1980s was that miners could see enormous stocks of coal, and nothing is more discouraging for miners than the sight of huge stocks outside their collieries.

If there had not been enormous cuts in the consumption of electricity, for example, by the special steels section of the steel industry, coal consumption for electricity generation would have been much higher, stocks would not have been so high, the dispiriting effect of the sight of those stocks would have disappeared and, as a result, morale and productivity would have improved.

We saw the decreasing morale problem developing with the appointment of Mr. MacGregor. As I have said in the past, some of us warned the Government months before the strike took place that a strike was coming, that it could be vicious and that it would be gravely expensive, and it proved to be even more expensive that some of us feared. It cost £32,300 for every man employed in the industry. That money could have been used to revive British industry and create the employment we need.

That is now behind us. As my right hon. Friend the Member for Blaenau Gwent (Mr. Foot) said, we are going through a delicate period. The efforts and priorities of the Government should be devoted to ensuring that the industry succeeds and that the problems and bitterness that have developed do not persist, so enabling the industry to achieve the success that we all want to see.

I am sure that the Secretary of State and his colleagues in the Department have devoted a great deal of attention and energy, and perhaps even enthusiasm, to ensuring that the industry succeeds in this post-strike period. The problem is that they are not being assisted in that endeavour by any evidence of wisdom on the part of those at the top at Hobart house. I had hoped, as the Secretary of State also hoped at Question Time on Monday, that yesterday's meeting would prove meaningful and helpful and would lead to progress. While I am sure that Ministers want to see progress, I am not sure that those at the top at Hobart house do. If they did, they would adopt a more sensitive attitude to all concerned, and in particular the trade unions.

When union leaders tell me that the NCB boasts that the men are accepting voluntary redundancy — when the men are told, "It is either voluntary redundancy or down the road"—those union leaders are right to say that that is not voluntary redundancy at all. If the men are told they must accept the NCB's terms or become unemployed, that makes a mockery of the use of the word voluntary.

There is bitterness. It is clear that bitterness exists over the situation at Polkemmet, an issue which I discussed with my hon. Friend the Member for Linlithgow (Mr. Dalyell), as did my right hon. Friend the Member for Salford, East (Mr. Orme). The NCB lied to NACODS. NACODS was deceived and tricked. The Minister can take the NCB's word for it if he wishes to do so, but I have been associated with that for a long time and I assure the House that the leaders with whom I discussed the matter are not in the habit of lying, and I do not believe that they would lie to me. Be it Mr. O'Connor, the Scottish secretary, Ken Sampey, our long-serving president, or Peter McNestry, the general secretary, they are convinced that the NCB has deceived and cheated them on the issue of Polkemmet pit.

I am told that NACODS men offered to go down to turn on the valves to allow the pumps to operate. I am told that the National Union of Mineworkers would not have objected to that involvement of my association's members. I am told that the National Coal Board would not allow the valves to be turned or the NACODS men to go down, but that it assured my association that when the strike was over that pit would be pumped and the jobs saved.

However, the National Coal Board has now determined that, because of flooding, that pit must close. It has not even had the grace to wait until the NACODS agreement is in force before coming forward with that suggestion. It is also true that, under the old procedures before the strike procedures which my association's agreement is supposed to approve, the status quo certainly applied. The status quo is not applying now and, as far as I can see, the National Coal Board—I believe against the advice that Ministers have offered — is determined to get the pits closed before it makes progress on the NACODS agreement.

That is not the way in which honourable men should behave and the Government are in an embarrassing position. That is why my association, without wishing to get headlines, is now seeking the highest level meeting possible so that the Government can demonstrate that the words which they used in the House and outside it justified. If the Minister and his colleagues, including the Prime Minister, use the word "sacrosanct", that word must be applied. I have no time for the present Government, but I believe that the occupants of the Treasury Bench must stick to the words that they use. The British people, albeit that they may be members of trade unions and therefore not quite so highly regarded by Ministers and the rest of the population, believe that if Ministers use words at the Dispatch Box to make a commitment that must be honoured. I hope that the Government will take seriously the position which has now arisen and which has led my association to seek consideration at the highest level. I am awaiting the response to that request.

[Mr. Peter Hardy]

I am deeply concerned that we should allow the industry to succeed. That is why it would have been better for magnanimity to be shown immediately rather than for area directors to have to intervene at the level of decision making, which should have been left to managers. Many managers have made sensible decisions. There are pits in my area where managers have not sacked anybody even though that may be a posture that is not currently fashionable in the industry. The pits where that has happened are back at work and relationships are far better than in pits where vindictiveness has been shown and a particular manager may have sought glory or congratulation from the more hidebound or hard-line people who have been singled out for favour by the present administration of the industry.

I am making these points because I believe that we must have a successful coal industry. It is therefore highly desirable that consideration be given to the application of wisdom.

I accept that pits will close. No one in his right mind can expect a colliery to remain open indefinitely. I know, for example, that at Cortonwood a substantial proportion of the labour force would like to take early retirement or go to a pit with a long-term future. It is a pity that careful consideration was not given a year ago to allowing that procedure to develop naturally. But when pits close we are faced with dreadful problems, and £5 million or £10 million for the sort of scheme that is now being introduced and which may be the little seed from which great things will grow—although it will require a great deal of expensive fertilisation as well—will be necessary.

I heard from my borough council today in reference to a coalfield community campaign—of which the Minister will have heard and which must achieve a great deal—how great is the need.

This morning I looked at the analysis carried out by the director of planning in Rotherham. We lost 1,100 jobs in coal between 1979 and 1981. One would not have imagined so, judging by all the accusations of failure to contract, and so on, that we have heard recently. The labour force in mining in Rotherham fell by 18·4 per cent. in two years before the strike—6·6 per cent. in the country as a whole. But we also have to recognise that in those two years there was a 34 per cent. increase in the number of cases referred to our social services department; that the number of people on rent and rate rebate increased from 11,000 to nearly 20,000; that the number of people in housing rent arrears and the number of people approaching the poverty level virtually doubled in a two-year period before the strike. Yet the Conservative party wants to put areas such a mine into a position where that sort of experience is greatly intensified.

The time scale of change should not be so abrupt that it reflects cruelly upon any particular community. In my constituency, Brampton Bierlow is the village serving Cortonwood colliery. That village, which has 57 per cent. male unemployment, is dependent on Cortonwood, which is not a long life pit. The proposal to close it in five days did not assist that community. But £5 million or £10 million for the nation as a whole in generating economic activity in the coalfields will not help Brampton Bierlow sufficiently if it gets only an absolute statistical share of that money.

The mining communities and the local authorities serving mining communities, where the pits are old and of limited life, need a greater priority, particularly because there are no jobs, as some of my hon. Friends have said, for our young people. In the metropolitan borough of Rotherham, the proportion of our people under 25 is above the national average, which merely means that we face a more intense problem than we had before. But there is another aspect of the matter. If our crime rate in south Yorkshire increases over the next seven years as it has over the past three years, by the end of the decade it will be five times as high as it was when the Government took office. No civilised society can maintain itself if the crime rate rises in that way. If that trend continues, by the middle of the 1990s we shall have a crime rate seven times higher than it was in 1979.

If we condemn our young people to hopelessness, and if we deny hope and economic support to our communities, the quality of life in the coalfields of Britain, which once were stable and where people could live decently, will be in peril. It is not simply a matter of balancing the national books or of selecting areas for investment; it is a question of making sure that life in Britain remains civilised and stable. It will not remain civilised and stable if we have people at the top of the coal industry who believe they have succeeded if they have tricked and deceived a trade union as responsible as mine.

The Minister has a very heavy responsibility. I trust that in his reply he will say something that will satisfy my union, but it will be satisfied only when the Government's word is demonstrably kept, and it has not been yet.

10.29 pm

Mr. James Wallace (Orkney and Shetland): I thank the hon. Member for Wentworth (Mr. Hardy) for his kind introductory remarks, even if they were somewhat two-edged.

When I rise to speak in a coal industry debate, I am conscious that—unlike the Opposition Members and some Conservative Members who have spoken—I do not come from an area with any coal mining interests. Nevertheless, it is only fair to say that money going to the coal industry is contributed as much by people in my constituency and elsewhere as by people in mining areas.

Without any disrespect to hon. members representing coal mining, I suggest that the British coal industry is not their sole preserve. It is a national asset in which we all have some interest. That was one of the mistakes made by the hon. Member for Ludlow (Mr. Cockeram) when he looked at the deficit grant and said by how much it would subsidise each miner. He overlooked the extent to which the coal industry makes a contribution to our national life. Prior to the 1984 dispute, coal had emerged yet again as the principal primary source for the generation of electricity in this country. One cannot ignore what would happen if the subsidies to the coal industry were to be withdrawn, as has been suggested in the debate by ome Conservative Members. However, it is only right for the House to look carefully at the reasons for providing such large sums of money to the industry. We should look forward not to an open ended commitment but to the day when, as the hon. Member for Doncaster, North (Mr. Welsh) said, the industry will be efficient. That will be brought about not only by improved industrial relations, as the hon. Member suggested, but also by the replacement

of old, worn out and uneconomic capacity by new capacity and by developing existing capacity in such a way that it can win coal more cheaply.

Although this is a large sum of money, I believe that it ought to be regarded almost as a bridging loan. It was suggested earlier that the coal industry has been making losses ever since it was nationalised. That is not the case. The projected production levels in the "Plan for Coal" were substantially met until 1979. Those who worked out the "Plan for Coal" in 1974 could scarcely have foreseen the size of the recession in the coal industry and its great contribution to the lack of demand for coal. As many hon. Members have suggested, the prospects for the coal industry are very bright. Therefore this amounts to a bridging loan.

The Secretary of State for Energy referred to the interest which has been shown in the coal conversion scheme. Substantial numbers of former customers of the coal industry have returned and the industry has recovered the ground that it lost during the dispute. In the much longer term there are prospects for the gasification and liquefaction of coal. Although it may be 15 or 20 years ahead, it is essential that research into those techniques should be maintained.

It is agreed that there is a potential market for the coal industry, and in the immediate aftermath of the dispute it is important that we should do everything to enhance customer confidence in the industry. Although it was said that the hatchet would be buried and that there would be reconciliation, events have occurred since the strike ended which do not necessarily bear that out. Reference has already been made to Polkennet. In September 1984 Mr. O'Connor, the Scottish secretary of NACODS, appeared on television and said that he was alarmed by the brinkmanship tactics of the National Coal Board in Scotland. I wrote to the Secretary of State and expressed my concern about what Mr. O'Connor had said. I do not know him but——

Mr. Alexander Eadie (Midlothian): He is a very responsible man.

Mr. Wallace: The hon. Gentleman says that he is a very responsible man and I am sure that he is. What he said caused me considerable concern. I join those who say that there ought to be an inquiry into what took place in the Scottish coalfields during the strike.

The other matter raised by the right hon. Member for Salford, East (Mr. Orme) relates again to Scotland and to the lack of reinstatement of those miners who were sacked. I have spoken to the Parliamentary Under-Secretary of State for Energy, the hon. Member for Wirral, West (Mr. Hunt), about this. He pointed out that in Scotland perhaps greater care was taken prior to dismissal than happened in other places. Nevertheless, I have been informed of a good number of cases where the grounds upon which dismissal took place appeared to be relatively trivial. The right hon. Member for Salford, East mentioned the case of a senior union official at Bilston Glen who was acquitted in the Edinburgh sheriff court of the charges brought against him. I cannot accept that somebody who has been acquitted should suffer the double jeopardy——

Mr. Michael Fallon (Darlington): He was not acquitted. The case was not proven.

Mr. Wallace: The hon. Gentleman says that he was not acquitted because the case was not proven. If he knew anything about the law of Scotland he would realise that a verdict of not proven amounts to an acquittal.

It is all very well for Conservative Members to say that sacked miners can apply to industrial tribunals and claim unfair dismissal. However, that misses two fundamental points. First, the unfair dismissal procedure cannot compel reinstatement and a person who is not reinstated loses not only his job, but entitlement to the various industrial benefits, redundancy pay and so on. Secondly, there is a conciliation and consultation procedure in the industry and that should be the first step. Going to an industrial tribunal should be the second step.

I wish that the conciliation and consultation procedure were used more often. My latest information is that the NCB has objected to the re-appointment of Mr. Jack Kane, who was the chairman of the conciliation and consultation committee. He is a respected former Lord Provost of Edinburgh, and before the dispute he had done his work successfully. The NCB's objections were seen as a fly in the ointment. They impeded moves towards better relationships between management and the unions.

Hon. Members have mentioned NCB (Enterprise) Ltd; and I remind the House that my right hon. Friend the Member for Plymouth, Devonport (Dr. Owen) accepted the need for such a company long before the Government. He pushed the case for establishing the company and my right hon. and hon. Friends believe that the £10 million given by the Government for the new company is inadequate. The Secretary of State told us something about the company's progress, but I note that in the United States some companies spend between 2 and 5 per cent. of pre-tax profits on community projects. The equivalent figure here is 0·1 per cent.

It is inevitable that some mines will close. Often miners themselves see the need for that. I hope that talks that take place before closures will involve not only representatives of the work force and the management but representatives of the local community, because a wider community interest is involved in such decisions. I do not come from a mining area, but communities matter greatly in my constituency and I empathise with mining communities that feel threatened.

No community should face the prospect of a closure without the prospect of new jobs. The planning for new jobs should not wait until the closure takes place. There should be discussions at an early stage to allow new employment opportunities to be planned and established before a closure. If that means postponing a closure, with some loss to the NCB, the Government should accept that that is a social cost, rather that an ecomomic cost that must be borne by the coal board.

The Bill gives an opportunity to bridge a gap and allows the NCB to get itself on its feet and reorganise more efficiently. As well as ensuring that possibility for the coal board, the Government must offer hope for areas which, because of closures, might not participate in the future of the coal industry. Those areas deserve hope and new forms of employment.

10.38 pm

Mr. Dick Douglas (Dunfermline, West): The Liberal party's case might have more force if its leader had taken the time to visit a pit and a strike centre when he came to my constituency during the dispute rather than just

[Mr. Dick Douglas]

whizzing through the area. As for the SDP, the right hon. Member for Plymouth, Devonport (Dr. Owen) shows exemplary interest in a number of things, but he has shown the extent of his interest in the coal industry by his continuous absence from coal industry debates. *[Interruption.]* If the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) wishes to intervene, I should give way, but he should not mutter from a sedentary position.

Mr. Archie Kirkwood (Roxburgh and Berwickshire): Where is Kinnock?

Mr. Douglas: I have some sympathy with Conservative Back Benchers, having listened to the Secretary of State introducing this important Bill. I have characterised the right hon. Gentleman on previous occasions as the custodian of the public interest, representing the shareholders of the nation. He comes to the House asking for a huge sum of money and, as it were, lays down the prospectus for the future of the industry. Unless I missed something, however, he said nothing whatever about the future output of the industry, future employment in the industry or even the number of pits. That is no way for a Government of business men to bring forward a prospectus and to ask for huge amounts of money.

In the circumstances, it is not surprising that some Conservative Back Benchers have objected. The hon. Member for Erewash (Mr. Rost) said that he could not support the Bill, because he wants the industry to be privatised. If he has read any economic history at all, he must know that up to the 1940s the industry was privately owned. All the difficulties in those days were the result of rapacious private enterprise. The idea that the Government should use public money to put the industry on its feet and then sell it back into private ownership is preposterous.

The Secretary of State has come forward with a good Bill for the industry, but he is counting the cost of the dispute after the event when a prudent Government would have counted the cost before the strike even began. My hon. Friends have referred to Polkemmet. I shall not rehearse the arguments about Bogside. I have described the situation in my constituency on several occasions. Ministers seemed to be well versed in what happened at Polkemmet, but they were completely ignorant about the huge exercise in industrial vandalism perpetrated at Bogside by Mr. Wheeler and his cohorts. The people of Nottinghamshire are welcome to Mr. Wheeler. I shall pray for them if he adopts the same attitude there.

On Monday the Secretary of State, in answer to questions that the Scottish director had been unduly vigilant in examining the cases of people whom he wished to dismiss, said that he was operating a unilateral policy and that Mr. MacGregor had nothing to do with it. More than 200 men were dismissed, but the Secretary of State tried to argue that people in other areas had objected because they had been dismissed for incidents less serious than those that occurred in Scotland.

I shall not deal with the whole Scottish coalfield or with every pit in my constituency. I shall not even refer to all the men dismissed from one of those pits, although I have sent details of all of them in a letter to the Minister. I shall give just a few examples of the dismissals at Comrie colliery. Check No. 1089 David Carruthers, aged 51, was convicted of a breach of the peace and fined £25. After 30 years unblemished service in the coal industry, that man has been dismissed. If that is a serious crime, he should have been charged with a serious crime. In Scotland breach of the peace is not regarded as a serious crime.

Another man, George Wallace, check No. 1517, aged 30, was bound over to be of good behaviour for six months. He had been in the industry for eight months, and was dismissed. I could give other examples. One of the finest men I know is the chairman of my constituency party —*[Laughter.]* Why are Conservative Members laughing? This is a serious matter. His name is Robert Young, check No. 1569, aged 41. The offence was breach of the peace, and he was fined £75. He had 10 years service in the industry, and he was dismissed. I know that there have been instances of more serious offences, but all the offences involved in the cases I have cited have been for breaches of the peace.

Conservative Members ask why these men do not go to the industrial tribunal. It is because the NCB has a statutory responsibility to carry out a conciliation and consultation procedure. Those who have taken the trouble to read the report of the Monopolies and Mergers Commission will know how highly that has been praised. Do Conservative Members want unions to throw that away? They know that if an umpire decided that someone should be reinstated, that decision would be binding. That is not the case with an industrial tribunal.

These are serious issues. It is one thing for the Secretary of State and Mr. MacGregor to say that it is appropriate to adopt a flexible attitude to investment and profit; it is another to argue for decentralisation and a non-uniform policy for industrial relations.

I repeat that doing business with Mr. MacGregor is not something that I would ever want to do again. Ten Labour Members, including my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) met him on 20 March. We came away from the meeting thinking that at least we had made some impression. Yet within half an hour, he was contradicting every impression and word that he had given during the meeting. That man cannot be trusted.

I made a great mistake on Monday be referring to Mr. MacGregor as a Scot. He is a Scot by birth and an American by choice. The sooner that he returns to the United States, the better. It is a crying indictment of British management to have that man in charge of a public sector corporation. The Secretary of State should be ashamed of himself for asking us to put these sums of money into the hands of that vindictive employer. I am sure that the right hon. Gentleman, in his better moments, recognises that that man is not the person to carry the industry into the future. If we want better industrial relations and if we want the men to recognise that they have a responsibility for the pits, the lead must come from the top at Hobart house. It is my humble opinion that that lead will not come from the top while Mr. MacGregor is still at the NCB.

I hope that what I have said about Comrie colliery and the unfairness of the treatment there will be taken on board by the right hon. Gentleman and his hon. Friend. I hope that men throughout Scotland, but particularly those I have described on a case-by-case basis, will see the conciliation and consultation procedure reinvoked for the benefit of all.

Coal Industry Bill

10.50 pm

Mr. Kevin Barron (Rother Valley): More than two dozen miners have been sacked in my constituency, but dozens are working who have been convicted of the offences to which my hon. Friend the Member for Dunfermline, West (Mr. Douglas) has referred. No one has been sacked in my constituency for a conviction of a breach of the peace.

I am the fifth consecutive Opposition Member to speak due to the absence of the majority of Conservative Members. However, during the 12 months of dispute there was no shortage of Conservative Members who wanted to vent their spleen on the coal mining industry. We have an opportunity this evening to debate the industry at length but the majority of Conservative Members are not in their places. I suppose that they are somewhere in Mayfair or in their flats getting a good night's sleep.

Mr. Martin M. Brandon-Bravo (Nottingham, South): I am in my place.

Mr. Barron: I accept that one or two Conservative Members are in the Chamber. I hope that the hon. Member for Nottingham, South (Mr. Brandon-Bravo) will participate in the debate. I shall be interested to hear what he has to say about the coal mining industry.

The hon. Member for Erewash (Mr. Rost) seemed to have some difficulty giving way to me when he was talking about privatising the mines. My hon. Friend the Member for Dunfermline, West was right to remind the House that the mines were in private hands for generations prior to January 1947, and that they were found to be in a fair mess. On two occasions they were taken over by the state before 1947. That happened during the first and second world wars, when private ownership was not capable of providing the coal that was needed to enable Britain to fight world wars. It is sad that Conservative Members cannot remember what took place before 1947, which is a comparatively recent date.

I note that the hon. Member for Ludlow (Mr. Cockeram), like the hon. Member for Erewash, has left the Chamber. The hon. Member for Ludlow talked about the miners wanting £2 a week from those who are working. I have a photocopy of a letter that was sent to my father in 1951. Perhaps copies of the letter were sent to those of my hon. Friends who were working in the mines at that time. It was sent by the then Prime Minister and it is dated 11 January 1951. It is a reflection of what the miners have done for Britain, even if the hon. Member for Ludlow is right and they are asking for £2 a week from all those who are working. I have not studied the figures but I do not agree with the hon. Gentleman. I would not agree with him even if his figures were shown to be correct.

The letter of 1951 starts:

"Dear Friend"—

in days past some Prime Ministers were friends of the miners, as some of my hon. Friends will remember. The letter continues:

"Before Christmas the leaders of your National Union called on you to make a special effort to increase output and in particular to work on Saturdays. There was a fine response and I want to thank you for what you did then. But I want to ask you to carry on with your effort right through the winter months. We are still threatened with a serious shortage of coal. Apart from the difficulties in our homes there is a real danger that industry may be slowed down. You will realise that this would mean unemployment for your fellow workers in other industries and hardship for their wives and families. It would also be a blow to our national recovery. I am therefore asking you personally to do your best to help avoid this danger."

It is signed

"Yours sincerely, C. Attlee."

The miners have given for this country for generations.

Conservative Members supported the attitude of the coal board and the Government towards the strike for 12 months, but they have the gall now to complain about the cost of the strike. We told them on numerous occasions what the cost would be. Conservative Members should think before they comment on the coal mining industry. They are talking about the £2 billion that will have to be invested in the industry, but much of that sum will be used to put right what was lost over the 12 months of strike.

When the Secretary of State opened the debate, he spoke of his regret that the strike took place. I do not know the extent of his regret. The Government knew what was happening in the industry and in mining communities over the course of the strike, but they chose to stay away from the problems. Apparently they wanted the hardship to continue and everything else that went with the strike. I do not know how those people can say now that they regret the submission of such a Coal Industry Bill.

The Secretary of State said that 1984 should have been a break-even year, and one of growing efficiency and productivity, and then he went on to comment on the "Plan for Coal". He talked about how much investment the Government had made in the industry, but I remind the House that, for all their talk about investment, since they came to power in 1979, the Government have opened only one coal mine. That is in the Vale of Belvoir. When the plans for that coal mine were first presented, there were to be three mines. The Duke of Rutland threatened to lie down in front of the bulldozers if the Government tried to sink those three mines in what he presumably believed to be his back garden, and stopped the plan. It is a great pity that he did not lie down in front of the bulldozers; if he had done so, we could have had all three mines, which will be needed by Britain in years to come.

Mr. Orme: It is not sunk yet.

Mr. Barron: I know that it is not sunk yet, but they have started it. We still await the fruits of the investment in new pits.

The Secretary of State also said that the industry, for one reason or another, had failed to meet the 4 per cent. a year growth in productivity that was agreed. I accept that, but there are many reasons why productivity has not increased since the "Plan for Coal" was introduced in 1974. We could have an all-night debate on that subject, and I am sure that many of my hon. Friends who have worked in the industry since 1974 could contribute to such a debate. But the Secretary of State omitted to mention the production targets contained in the "Plan for Coal". Indeed, during the strike, Ministers consistently forgot to mention them. They talked about the closure of uneconomic pits and the need to get rid of old capacity, but they never talked about the fact that the "Plan for Coal" would have meant that Britain would have been producing more than 125 million tonnes of deep-mined coal a year, whereas the reality is that, in the year before the stike, it produced less than 100 million tonnes.

We should examine that matter, because the coal board is talking about the new 25-million tonne capacity that is

[Mr. Barron]

coming on stream to replace old pits. The new capacity has started at Selby, which was a project started by the Labour Government. Selby uses high technology mining techniques, which means that it will need less labour. It is predicted that, when it is in full swing, between 10 and 12 million tonnes of coal a year will be produced by just more than 4,000 miners. At present, it takes about 10,000 to 12,000 miners to produce that amount of coal. The 25 million tonnes of high-cost capacity that Mr. MacGregor, even after the strike, said would have to go would mean the loss of more than 66,000 jobs. Those so-called high-cost pits are not all in areas that went on strike. There are many in the north and south Nottinghamshire coal fields.

There are two such pits in my constituency. Ministers talk a great deal about the NCB Enterprise Board providing jobs. One of the pits in my constituency will close in four years' time, and its closure has been accepted by the NUM. The other one should be workable until the next century. At present, unemployment in the village is 25 per cent. If the colliery is closed and work cannot be found for the people who work there now, the village will have an adult unemployment rate of about 50 per cent. That is unacceptable to me, and it should be unacceptable to any reasonable Government. I hope that if the Minister is considering closing old collieries, his scope will be much wider than the narrow scope talked about by the NCB and the Government over the past 12 months in relation to how they see the shape of the industry in future. It is not acceptable for them to do such damage to my communities if their projections for the coal industry are brought about.

The Minister talked about the NCB enterprise board. He said that it created 200 jobs. I am sure that I have no need to remind the House of this, but perhaps I should. The enterprise board was an afterthought. The Government were embarrassed about adding people to the unemployment list in mining areas, the vast majority of which have way above the national average of unemloyment anyway. The scheme was brought in in August last year at £5 million, and then the expenditure was increased to £10 million, months after the strike had begun. It has created 200 jobs. Possibly another 400 are now in line, and there could be 1,000 more after that. Therefore, perhaps in 12 months' time that £10million will have created 1,600 jobs.

I remind the Minister that many more people than that are unemployed in my constituency. I could do with the money in Rother Valley to get rid of current unemployment, let alone the unemployment that might arise if two of the six collieries close. The Government are going nowhere near to addressing the problems created by the closing of collieries. They should go away and consider multiplying the £10 million by the 650 constituencies represented by hon. Members, or at least constituencies with coal mines in them. We should look at the matter at that level before we do anything else.

In view of what has been happening over the past 12 months, I should like to consider certain payments about which the House is concerned, although they are not directly connected with the bill. Unemployment benefits are paid to coal miners who accept redundancy. For the first 12 months they can get unemployment benefit from the state, and then a percentage of their take-home pay is made up by the redundant mineworkers pension scheme. Up to the end of 1985, that will be fine, but many people are likely to be made redundant next year who, because of the strike over the past 12 months, have not been able to make national insurance contributions. In those circumstances, they will not be eligible to claim from the redundant mineworkers pension scheme. I ask the Minister to look at that. Perhaps the scheme should be altered so that those people will not lose benefit. I refer also to people claiming sickness benefit, who also have not paid national insurance contributions, although the case is not exactly the same. They might be affected under the sickness scheme under which employers have to pay.

I am pleased about the introduction of the Bill. However I echo the sentiments of my hon Friend the Member for Dumfermline, West. The Bill is specific about areas where money will be paid and used. We should have told the exact projections of the likely manpower loss in the coal mining industry because of the Bill. I do not believe for one minute that neither the NCB nor the Government do not have those projections. If they do not, how can they ask for specific amounts of money to go to the redundant mineworkers pension scheme? They must know. They should tell us. We who represent coal areas have enough problems with unemployment and the lack of job opportunities for school leavers and many others. We should know exactly what the future manpower losses are likely to be. The Minister must come clean about redundancies in the coal industry. He should make a statement to the House so that people can prepare themselves for the possible disaster.

11.5 pm

Mr. Frank Haynes (Ashfield): My hon. Friend the Member for Rother Valley (Mr. Barron) has brought reality to the debate. He read a letter from Clement Attlee. I was one of the people he was talking about. I am proud to have made a contribution. I received a similar letter for my contribution to the mining industry.

What galls me more than anything is to hear Conservative Members talk about the mining industry when they do not have a clue what it is about. In the main, Tory Members are business men who are bothered about the profit motive. They are not bothered about the destruction of communities and jobs. They have destroyed jobs and communities ever since they came to office in 1979, and still they continue.

I argue not about the money provided in the Bill until 1987 but about whether the Bill prepares the way. We do not have short memories. I have a particularly long memory. I remember what was said by previous Secretaries of State for Energy about pit closures. When the NUM said some pits were on the closure list, the Government denied it. When we talked about 70,000 jobs going in one fell swoop, the Government denied that, too. We are now back to reality. The truth is out. What the Government said was not true is true today.

The Government say that management should run the industry. In the past we have run the industry together. We worked together from the first day of nationalisation. The previous owners of the coal industry received royalties even after nationalisation. It took a Labour Administration to stop that.

We appear to be returning to the old days according to what Tory Members say. They want the managers to have the big stick with which they used to belt our backs many years ago. They want to put the stick into their hands.

We understand what is happening. We have worked in the industry for a long time. We know what it is all about from A to Z. The Secretary of State is a new boy in this game. My hon. Friend the Member for Bolsover (Mr. Skinner) has been involved in the industry. The Secretary of State is interested only in finance and filling pockets with profits. We must consider jobs and communities. We must save, not destroy, the pits. Coking coal for Scotland has been mentioned. The tragedy is that the coking coal would have been available if the pits had been closed. I do not criticise the Conservative Government alone, because the Labour Government closed pits. However, it was a different ball game then. There were other jobs for people to take. Now, when a pit is closed, there are no jobs.

It is all very well for the Secretary of State or the Minister or Mr. MacGregor—a real butcher—to make suggestions. It is all very well to talk of making jobs available at other pits. There used to be nine pits in my constituency. Now there are five, and one of those will close in August. Another pit, in Broxtowe, will close shortly afterwards. The only work available for youngsters in that area is in the pit, but the shutters are being pulled down and the lads are not being taken on. They are on the dole, and we are paying them for doing nothing. I am not talking about school leavers joining the youth training scheme; I am referring to older youngsters who cannot get jobs at the local pit.

Those two pit closures in close proximity will cause a serious problem. I advised the chief executive of the district council to write to Merrick Sparton at Hobart house to ask for some of this marvellous enterprise money, with a view to dragging in some industry so that the youngsters will be able to get jobs somewhere. He wrote the letter, but he has heard nothing. We were told that £5 million was available; and a few days later we were informed that the amount was £10 million. It may be peanuts, but where is it? We need it in my constituency to provide some jobs.

I was a local branch official for many years at the pit where I worked. I was involved in building up industrial relations. The Government imported a fellow from the United States who destroyed the industrial relations in two years flat. For many years, the way in which management and men in the mining industry worked together was held up as an example to the rest of the nation. That situation has been totally destroyed. Man is fighting man and man is fighting management, and we are making no progress at all. In my years in the industry, we accepted mechanisation and lost coalface jobs as a result. However, the men were able to go to other jobs in the industry. We played the game from the first day, and the industry benefited.

My hon. Friend the Member for Rother Valley mentioned the letter in which Clement Attlee congratulated the miners. That was how things always were until 1972. There were no strikes between 1926 and 1972, when the Tory Administration of that time started to destroy the industry. The present Administration have continued the process.

The Government must try to understand the mining industry. We have heard about exports. We should remember that we import coking coal because we cannot produce enough. The pits that contain it have already been closed. We are paying for it through the nose, and that affects the balance of payments. An application has been received from a European country which wants coal of all types — not just coking coal, but other types and qualities, too. I have heard nothing about that.

I believe that negotiations are going on with Romania. I was lucky enough to visit Romania for three days with Lord Wilson of Rievaulx. We went to see the President because he has an energy crisis on his hands. We came back with a deal. We put this to the Secretary of State and the chairman of the NCB in the hope that something could be done about Romania's problem, because we can produce the coal that that country requires. Romania made another suggestion. I should think that the Government will jump at this one. As regards those coking coal pits that have been closed, Romania has suggested to the Government and to the NCB that its people should come over here and open them up. I bet the Government will jump at that because it is a way of private enterprise coming in — not the British people, the British Government, the British mining industry or the NCB, but somebody from outside. If that comes about, it will at least mean that some jobs will be knocking around, and that is more than the Government are achieving.

The Government are bragging about what they are doing, yet the unemployment total continues to climb. The Government have to understand that the mining industry is, and has been for many years, the lifeblood of this country's economy. It is all very well for the hon. Member for Erewash (Mr. Rost), who has now left the Chamber, but he does not understand the situation either. All that he keeps cramming down my throat every time he speaks is PWR, but he does not realise how much that costs and the dangers involved in going ahead with more nuclear power stations.

We have had the co-operation of the mining industry and the people who work in it in modernising the industry, and that will continue. The miners have always accepted modernisation. Miners work together and, as I said earlier, they have worked with management. The Government have allowed the industry to be destroyed, and they have played a part in that by appointing that stupid American who came here supposedly to chair the NCB.

I understand the Bill, and in one way I accept it as a good thing. More money will come into the industry, but there will be a price to pay for that money coming in— the loss of more jobs. Fewer jobs will be available in the mining industry when we should be building up the industry. The work force is ready to move forward and to create a better, larger and more profitable industry.

I maintain that the mining industry has always made a profit. The interest rates have shackled the industry. Conservative Members may laugh, but they do not understand what I am saying. They have been in the House five minutes, yet they know everything. I am talking about an industry in which I worked, and I know what it is all about.

Then there is the question of the Duke of Rutland and Belvoir. When I attended a meeting in his castle one day, I was surprised to find that he heats the place with solid fuel. He has solid fuel under his feet; but he does not want to work it, and he does not want us to work it. When I was in the castle, I noticed that he had a whacking great fire and a wheelbarrow full of solid fuel to put on to the fire when the previous load had burnt itself out. He still burns solid fuel. I welcome that, because it is in the interests of the industry, and, after all, he is paying for it to the benefit of the industry.

[Mr. Frank Haynes]

I agree with some of the things that have been said by many of my hon. Friends. The Government are privatisation balmy. Make no mistake—they mean to privatise the mining industry. They are closing the so-called uneconomic pits, and, by their actions, they are making profitable pits unprofitable in preparation for what they want to do.

I appeared on a Central Television programme with the hon. Member for Erewash a short time ago to discuss the sale of pits. That is what the hon. Gentleman was pushing. Not long ago the Secretary of State for Trade and Industry was pushing for action in that direction. When prominent Tory Members talk like that, action is likely to follow in due course. It is obvious to many people—certainly to most on these Benches—that that is the direction in which the Government will be moving. If so, I assure them that we will put up a blooming fight—I almost used different language—against any such move. We shall defeat the Government not only on the sale of pits but at the next general election.

11.21 pm

Mr. Allen McKay (Barnsley, West and Penistone): I shall concentrate on some of the worries that exist in the aftermath of the strike. First, however, I shall comment on some of the criticisms that have been made about the Bill in general and, in particular, about the amount of money that it provides and the way in which the NCB has been financed.

We are talking not just of a subsidy to the mining industry but of subsidies to every industry that feeds on that industry, and some of the companies concerned are represented by Conservative Members. Many firms depend on the existence of a large and thriving mining industry.

I refer to companies which supply, for example, mining machinery, supports, conveyor equipment and belting, clothing for miners and safety equipment, including safety boots. If those companies did not have a mining industry to supply, they would have few customers. In addition, the NCB successfully exports expertise, such as management experts. Those experts advise other countries, and, in the process, the mining industries of those countries purchase their equipment from private manufacturers in this country.

It is sometimes forgotten that at the time of nationalisation, the NCB had to buy out the coal owners and for a long time pay them royalties. A great deal of mechanisation had to be undertaken because, under private ownership, the owners had let the industry run down to a dreadful extent. Indeed, that was why nationalisation came about; had the private owners been successful, there would have been no need for the pits to be nationalised.

Immediately after nationalisation, vast closures took place to bring the coal industry into the order that could not happen under private ownership. In other words, we had to create a viable industry out of the scrap situation that had been left by the coal owners, who had taken the easiest coal and left the most difficult. It is worth noting that that is the way in which the oil industry is going.

When coal was in short supply and it could have been sold at the market price—so that the industry could have been viable for all time—the Government stepped in and said that it should not sell it at the market price. As a result, many companies can be said to have lived off the back of the mining industry. Money must now be ploughed into the industry to make up for what was taken out in days gone by. But investment takes a long time, perhaps 10 years, to work through. Much of the money goes into development capacity, and the coal resulting from that comes on stream in due course.

When the Secretary of State talks about its being impossible to stop miners from wanting to become redundant, he is running into a very dangerous situation. If he is going to take that attitude, what happens to a coalmine which is prosperous and could continue to be prosperous in the future if the men at that colliery decide that they want to go? Will that colliery close because the men have gone, because that is what the Secretary of State was saying?

Near my area, many years ago, Barnsley main colliery closed. Some of us wondered why, because there were quite considerable reserves at that time. It had probably the best contracts for workmen in the area, but it had industrial relations that left a lot to be desired. The rumour went round that there was a possibility that the mine would close and the men were encouraged to leave. It was said that the board would transfer them to where it wanted them to go and that if they wanted to choose their own pits it was time to go. So they left in droves and that colliery closed—just as the Secretary of State is predicting now—not because there were not the reserves there, not because it was not a good colliery, but because the men had been encouraged to go.

Now, Barrow colliery is to close and all the workings are to be taken over to Barnsley main colliery, which closed some 30 years ago and is now being reopened. So the things that were feared at that time were evidently true.

I am concerned about the NCB's reluctance to set up the new review body which it agreed on with NACODS. The reputation of the Secretary of State hangs on this, because in the debates during the strike he emphasised his backing for a review body of this type. It is a sad commentary on our times that the National Union of Mineworkers, NACODS and the British Association of Colliery Management cannot trust the chairman of the NCB.

The Secretary of State would do well to recognise this, because he is himself, I suggest, vulnerable. The chairman of the NCB was for the first time appointed not after discussions with the trade unions concerned, but by the Prime Minister; therefore, he no doubt has the ear of the Prime Minister. The Secretary of State probably did not get on too well with the chairman of the NCB during the strike and I would suggest that the chairman has a word with the Prime Minister and it may be that we shall see a new Secretary of State for Energy when the Government shuffle comes about.

Two meetings have taken place and the NCB is very reluctant to bring in the review body. It is also adamant that it will not go back to the old review procedure. I suggest that the reason for this is that it is thinking of the number of men it would like to lose and the number of collieries it would like to close. It would suit the chairman of the NCB to get rid of the men he does not want and to close the collieries he wants to close before he brings the new review procedure into being. This was behind the question that I asked the Secretary of State during energy questions, but to which I did not get an answer.

There is no trust and no co-operation, and these must be regained. We can only regain them in the present climate if the NCB gets a new chairman.

In the area that I represent, there is a strong rumour that the colliery of North Gawber is to close. It probably has another five years of life, but the strike is being used as an excuse to close it. The Houghton Dunsil seam is to close. It was the Dunsil seam which had transferred men from Wentworth Silkstone colliery on the understanding that, as it was a small colliery, they could work togeher in the seam and have the same atmosphere as they had had at the Wentworth Silkstone colliery, but the Dunsil seam is to close.

We understand that Woolley colliery, in which a massive washer for the west side has been built, is to cut its production. Those are rumours, but they have not been dispelled by the NCB saying whether they are true or not. The colliery review which is to take place will no doubt help to enlighten us.

The Secretary of State does not seem to understand the colliery review procedure. It starts well before a colliery closes, not when it is imminent, and not after the decision has been made. That gives time for the unions to send in their engineers and experts to see whether the board is right in its assessment, or to make suggestions about the retention of the colliery. It is no use having the review procedure if it is to look at a colliery's position after a decision to close it has been made.

There is a need for a strong and viable coal industry. The energy policy report of 1978 indicated strongly that the gas and oil reserves were becoming depleted. The oil industry recently produced a report stating that a critical stage has been reached in the development of Britain's oil and gas resources, and that production is near its peak and is expected to decline in the mid-1980s. To the end of 1983, 41 fields containing 13·3 billion barrels of liquid and 32·7 trillion cu. ft. have been committed for development. Oil and gas production from those fields will peak in the mid-1990s and then decline by 80 to 90 per cent. towards the end of the century.

The Government have to make up their mind. We can either have a viable coal industry which will help to support the lack of energy resources as they run out, or we can let the coal industry go and have to give strong support to the oil and gas industries. As the reserves run down, it will be necessary to go further afield into the sea to get the other existing reserves, which will be costly and probably have to be subsidised, or there will have to be a massive increase in the price of energy, which the country cannot afford.

Therefore, it is vital to consider the need for a viable coal industry. If the Government let Ian MacGregor have his way, we shall run into trouble in the year 2000 or 2010, because we shall not have a coal industry to sustain the depletion of oil and coal. It is a critical time, because the lead-in time is 10 years. We need investment in new coalfields. We need investment in the old collieries to sustain them. There is a great need to ensure that the coal industry is viable and, if possible, prosperous; but whatever the cost, there is need for a continuing coal industry, otherwise we shall be in trouble in the year 2000.

11.34 pm

Mr. Michael Fallon (Darlington): It may surprise you, Mr. Deputy Speaker, to learn that I have some sympathy with the arguments that have been put by Labour Members, especially by the hon. Members for Wentworth (Mr. Hardy) and Ashfield (Mr. Haynes).

I compliment my right hon. Friend the Secretary of State and the Under-Secretary of State on the way in which they have conducted themselves during the recent strike. I think they were the first to recognise that the strike might continue for a very long time. Whatever their influence over the NCB, it was a benign influence, and the pace and tone of the board strategy owed a lot to the way in which the Ministers conducted themselves. In my view, they renewed public faith in the role of Ministers during a dispute of this kind. Nevertheless, the ending of the strike presents to my right hon. and hon. Friends which have never before been presented to their predecessors an opportunity to think again about the coal industry.

I have to say something else which may surprise you, Mr. Deputy Speaker. If it were not for the Marxist purpose of the strike and the dictatorial leadership of the strike, I might well, if I had been a miner, been on strike. About 40 years ago the National Coal Board was charged with securing the efficient development of the mining industry. The board, I submit, is not simply technically insolvent but, far worse, is morally insolvent. In almost every year of the board's existence pits have closed and communities have been demolished. The hard-working, loyal miners whom the hon. Member for Rother Valley (Mr. Barron) praised so warmly have been condemned in every year of the board's existence to an uncertain future in an unsuccessful and loss-making industry.

I had hoped not for a Bill that would simply tackle the board's finances but for a Bill that would revitalise and modernise the industry. I had hoped that in return for the huge sums of money that the taxpayer is pouring into the coal industry a medium term coal mining framework would be established within which the mineworker and the taxpayer could be provided with answers to pertinent questions. Why is coal mining the only unprofitable extractive industry in Britain? Why does it continue to lose money and markets? Why does it continue to lose jobs? I should have thought that, in return for the huge sums of money that are demanded of the taxpayer, at the very least there ought to be evidence of a more radical approach, not just in terms of finance—why has the NCB not been devolved, why has its centralised, decision-making structure not been split up, why has it not copied the example of the National Union of Mineworkers and moved away from its close proximity to Buckingham palace to the heartlands of the mining industry and why has private capital not been attracted into an industry which could be profitable—but in terms of those areas away from the deep mine collieries that are of enormous importance to the industry.

In the case of small mines, the section 36 savings provided for in the Coal Industry Nationalisation Act 1946 ought to have been abolished years ago. Certainly they ought to be reviewed. In return for these huge sums of money I should have thought that at the very least my right hon. and hon. Friends ought to say that the section 36 savings were on the table for review.

I should have thought that Ministers would now be able to promote and encourage small mines, in the same way as other Ministers promote and encourage small businesses. I also thought that we might have heard a little more about opencast mining. You, Mr. Deputy Speaker, will be more aware of the facts than many other hon.

[Mr. Michael Fallon]

Members, because of the situation in county Durham. We tend to forget that opencast mining is not merely profitable, but very profitable; in the last proper years for which the NCB has furnished accounts, it made a profit of at least £200 million.

The capacity in opencast mining is not being developed. Throughout the strike, and even today, there has been a virtual freeze on opencast mining, particularly in the north-east of England. The NCB does not appear to be granting licences—certainly not a flow of licences—and the county councils, especially those that are Labour controlled, refuse time and again the planning permission required by operators who have won licences.

The situation in the north-east is serious. Opencast mining is a large employer there. It employs at least 2,000 people directly — including a small number of my constituents—and many thousands indirectly. It provides cheap coal and provides it locally. I shudder to think what might have happened to some of our industrial plants in the north-east during the past year—you, Mr. Deputy Speaker, will know of as many examples as I do—if opencast mined coal had not been available.

Opencast mining is an important part of NCB activity. It contributes formidably to the board's revenue through the royalty system, provides additional employment at a time when jobs are being lost elsewhere in the board's activities, and provides cheaper coal to those who need it.

I thank my hon. Friend the Under-Secretary for the attention that he has been giving to this matter, but it is time that we had a thorough review of opencast mining. The money being voted in the Bill will be wasted and will not further opencast mining. We need a review of legislation, of the strategy for opencast mining and of its financing.

It is nearly 25 years since the principal Act was passed. I submit that the quantity controls on opencast mining can no longer be justified. Indeed, even the geological isolation requirements on opencast mining can no longer be justified. We require new guidance to local authorities on planning applications. If counties such as Durham—almost a wholly owned subsidiary of the NUM—are to refuse planning applications as a matter of policy and every application goes to appeal, the Department of the Environment must give clearer guidance about the criteria that should govern consideration of such applications.

As for the strategy for opencast mining, we need a much higher production target. Without any effect on the rest of the NCB's finances and major strategy, production in opencast mining could be increased dramatically. Half as many tonnes again could be produced with little effect on deep mining.

Mr. Woodall: Will the hon. Gentleman give way?

Mr. Fallon: No; I am about to conclude.

As for financing, given that the Opencast Executive is highly profitable and has a good future, it should be liberalised and eventually privatised. With sharper management and a much more liberal framework, there is no reason why the Opencast Executive should not, within the lifetime of this Paliament or certainly the next Parliament, become the Opencast Mining Company.

I should have hoped that the Government would not come to the House yet again asking for unlimited funds to meet the deficit and increase the borrowing powers of the NCB. I should have hoped—and I still hope for this from my hon. Friend the Minister when he winds up the debate—for a broader view and a further vision of how to make this industry profitable and, above all, how to serve the interests of those who work in it and extend to them a more certain, secure and profitable future than that which now stretches before them.

11.46 pm

Mr. John Home Robertson (East Lothian): The hon. Member for Darlington (Mr. Fallon) began by trying to sound reasonable but did not take long to revert to type. He gave us an interesting foretaste of the brave new county Durham of years to come if the Tories have their way, with unlimited privatised open-cast mining. If the hon. Gentleman is preaching that message in Darlington, we can confidently look forward to the return of Ossie O'Brien to the House—and the sooner the better.

Some serious points were made earlier in the debate by Conservative Back Benchers, all of whom complained about subsidies being paid to the coal mining industry. In the inevitable banter that takes place in debates such as this, several of my hon. Friends commented that the agriculture industry certainly gets its fair share of subsidy, if not more than its fair share.

I have the privilege of representing a very mixed constituency in which both mining and agriculture are significant. One of the great differences between Socialists and Conservatives is that Socialists believe in sustaining key industries where that is necessary for the sake of the industry and of the communities in the areas concerned. That applies as much to agriculture as it does to coal mining.

Coal is a key strategic industry for this country. In an energy-hungry world it is a foolish nation which, having the resources that we have, allows them to fall into jeopardy as the present Government have done. Anyone who does not recognise the case for coal should see the power station sites in the United States originally intended for pressurised water reactors but increasingly being converted to coal-fired stations. That speaks for itself and that is where the future lies for this country, too. I am certainly convinced of the long-term case for coal in this country; and the Government stand condemned for putting that key industry in jeopardy.

The Bill is supposed to be about the long-term future of the coal industry. As my hon. Friend the Member for Dunfermline, West (Mr. Douglas) has said, there can be no realistic prospect for good performance in the coal industry while the present stupid provocation continues at many pits in this country and especially in Scotland. I listened with interest to the comments of my hon. Friend the Member for Ashfield (Mr. Haynes) about the long history of good industrial relations in the coal industry, but I have bad news for him. The bad news concerns one job loss in my constituency with which I am prepared to live —that of Mr. Albert Wheeler, director of the national Coal Board in Scotland, who I understand is being transferred to Nottinghamshire. If my hon. Friend thinks that there has been reasonable industrial relations in his part of the world in recent years, I fear that he will be disappointed soon because of the havoc that Mr. Wheeler will be wreaking in that neighbourhood.

There can be no prospect of trust or good faith in the mining industry while 200 Scottish miners remain locked out after the year-long dispute. On 5 March the Prime

Minister said on three separate occasions during Prime Minister's Question Time that those miners who had been sacked throughout the country, with particular reference to Scotland, were guilty of serious criminal acts.

Seventeen miners in my constituency have been sacked. I shall refer to a few of them at random. Mr. Billy Davidson of Prestonpans served the industry for 11 years. He is married with two children. He was convicted of a breach of the peace and fined £50. He was sacked and now faces long-term unemployment. Stuart Shepherd, also of Prestonpans, served seven years with the NCB. He was charged with a breach of the peace, fined £30, sacked and now faces long-term unemployment. William Cockburn of Tranent served for 16 years, was fined £50 for a breach of the peace, and was sacked. Mr. Derek McLeod of Prestonpans was charged with a breach of the peace, fined £50 and sacked. That is a particularly interesting case because Mr. McLeod was a member of the specialist mines rescue team. He was called upon by the NCB on a number of occasions to do dangerous and arduous work rescuing some of the pits affected by fires during the strike. He had just returned from one job in Fife—some way away—when he found that he had been given notice that he was to be sacked.

My final example is Mr. John Glen of Musselburgh, who had 34 years of unblemished service in the industry. He is a married man with two children. He was charged with a breach of the peace, was admonished by the court and was sacked.

If all those people are guilty of serious criminal acts, there are many people in this country who are serious criminals. A significant number of young Conservatives must be serious criminals. Probably a significant number of English football supporters are serious criminals. Are they to face long-term unemployment because of minor breaches of the peace on football terraces? It is an obscenity to talk in those terms.

What did the Prime Minister say when we drew her attention to the people who she said were guilty of serious criminal acts? She told us to go to the NCB. As my hon. Friend the Member for Dunfermline, West (Mr. Douglas) said, we went to meet Mr. Wheeler, Mr. MacGregor, the Secretary of State for Energy and the Secretary of State for Scotland. They said that they gave us their sympathy. Mr. MacGregor led us to believe that we had made a powerful case that would be considered. But no, Mr. Wheeler stuck to his guns and these men remain sacked.

The Prime Minister says the men should go to industrial tribunals. They are doing so, but, unfortunately, industrial tribunals have no power to remedy cases of manifest injustice. It will not do. We have heard talk of ratting and twisting during the past couple of days—what the NCB has done to those people can be described in much stronger terms.

It is interesting that many representatives of bodies of public opinion in Scotland have been lending their support to miners who have been sacked manifestly unjustly. They include the chief constable of Lothian and the Borders, the police force which covers my constituency. He has said that in his view the cases of the sacked miners should be reviewed. Presumably, like most respectable policemen, he believes that it is for the courts to punish those who are guilty of having committed offences and that the coal board should not punish them as well. The churches have supported the sacked miners. The hon. and learned Member for Perth and Kinross (Mr. Fairbairn) had the courtesy to listen to some of the sacked miners at a recent meeting of the Scottish Grand Committee in Edinburgh. He said that he was concerned at what had happened.

Most recently, I read in today's edition of *The Scotsman* that Princess Alexandra is joining the chorus of those who are concerned about the miners who have been sacked unjustly. It is reported that

"the princess met some of the miners during the strike who volunteered to act as labourers to complete the conversion of two buildings bought by the Leukaemia and Cancer Children's Unit Fund (Scotland)."

One of the volunteers who worked long hours on that job during the strike was a constituent of my hon. Friend the Member for Midlothian (Mr. Eadie), Mr. Frank Barr of Mayfield. He spoke to the princess yesterday in the course of the opening ceremoney. He said:

"I told her that the volunteers from the Dalkeith miners' strike centre were back at work and how I was the odd one out. She wished me the best of luck and hoped that I would be back at work soon."

Amen to that. We even have royalty supporting these miners.

These dismissals are in fact and in effect illegal under the terms of the nationalisation Act 1946. There is a conciliation procedure for dealing with such cases, and it is a crime that the coal board and the Government are not allowing conciliation to take place. It is a scandal that sacked miners have been victimisd in such a manner. If there is to be any future for the industry, these men must be allowed to return to work alongside their colleagues. I want a secure future for the nation and its key industries, including the mining and energy industries. I want to see investment in the future of the mining industry. Massive resources such as those off the coast at Musselburgh bay in my constituency must be developed. We need a future for the industry and we need justice for it. The Bill is a gesture in that direction, but we must go much further.

11.58 pm

Mrs. Ann Clwyd (Cynon Valley): I agree with the hon. Member for Darlington (Mr. Fallon), who is no longer in the Chamber, that uncertainty and doubt surrounds many of our coalfields. The sense of insecurity is to be found especially in the South Wales coalfield. It appears to have been encouraged deliberately by the Government and Mr. Ian MacGregor, who seem to relish its existence as a political weapon with which to punish the South Wales coalfield for its extraordinary solidarity and strength during the strike.

The people of South Wales deserve better than this. Government cliches about the need for industrial harmony rightly fall on deaf ears when men and women sense that their manufacturing jobs are being eroded by short-sighted economic policies and mean-minded political bias. The British Steel Corporation, the Central Electricity Generating Board and other major customers owe it to the people of Wales, who have sustained them for so long, to drop the absurd pretence and secrecy, and in so doing allow vital long-term planning to take place in a civilised atmosphere of reasonable security.

The *Financial Times* commented last week that there is a difficulty because the profitability of coal depends heavily on the prices paid by its large domestic customer, the CEGB. No one can deny that it is within the power of Ministers to lean on the CEGB to ensure that the prices paid are consistent with the coal industry's break-even point.

[Mrs. Ann Clwyd]

South Wales has been told that it will not receive capital for major projects such as replacing capacity in new mines until it has wiped out its overall losses, which by March 1983 amounted to about £100 million. But the area is in a catch-22 position. South Wales cannot cut its losses if it continues to mine coal in out-dated units, using inferior machinery operated by an undermanned work force. Yet the beneficial effects of investment on production are obvious from the performance of collieries in the so-called central block areas.

It is clear that where greater mechanisation and proper transport have been introduced, performance improves dramatically compared with pits which have suffered from investment starvation, as have most of the pits in south Wales over the years. If the National Coal Board and the Government are to be taken at their word, the coalfield must retain sufficient capacity to produce 7 million tonnes of deep-mined coal. At present, production is unlikely to reach that target, and the shortfall in deep mine production could range from 0·4 million tonnes to 1 million tones.

Some of the shortfall will be made up by the lifting of pithead stocks, by licensed mine and open-cast production and by retrieved coal from tip clearance, but it is difficult to see where the extra capacity to make up the 7 million tonnes will come from. To speculate which pits are likely to survive is to dodge the problem of understanding that we have not benefited from the massive reconstruction which some areas have undergone. To win new markets and to meet the demand of existing ones we need the sort of money currently being spent on one airport in the Falkland Islands—about £0·4 billion.

The present choice of financial priorities is a perversion of business logic and a clear sign of the absence of any awareness in the Cabinet or in the Welsh Office of the plight of coal fields such as south Wales. To talk, as the NCB is talking, of having sufficient markets to warrant 7 million tonnes of deep-mined coal a year, when our pits are unlikely to produce 6 million tonnes a year by 1986-87, is nonsense. We need immediate and major reconstruction of a large percentage of our existing deep-mine capacity. We need a massive overhaul of our transportation and coal preparation facilities. We need two or three new mines. There is a possibility, if the Government would use a little imagination, of making several radical departures from past practices to supplement production and mining employment.

For example, it would be possible to carry out a rapid feasibility study into the prospect of sinking as many as 10 or 15 small drift mines into the upper seams. They could provide a swift profit — the Government are fond of talking about profits—on a fairly small investment, and would provide up to 750 new jobs in the south Wales coalfield. Almost 100 licensed mines operating on a similar scale in the upper seams of south Wales in 1985 are giving their owners a good return on their investment and labour. Why should not the NCB or workers' co-operatives share in the fruits of those ventures?

To take the most optimistic predictions for the south Wales coalfield up to 1988, if present trends continue and the downward spiral of mining production and employment is unchecked, by April 1988, NCB South Wales is likely to be employed at the most 12,800 deep miners, producing about 5·8 million tonnes of coal. That would mean the closure of 13 units, the loss of 1·2 million tonnes of capacity and the shedding of 6,000 jobs.

On the pessimistic scenario, worrying noises are coming from Brussels. I am not satisfied with the assurance given by the Secretary of State that there is nothing much in the Commission's proposals. Commission proposals that we have heard about them in the past, and that I was involved in discussing when I was in the European Parliament, have subsequently come to fruition. We want an assurance from the Secretary of State that he will definitely veto those proposals if they ever come before the Council of Ministers. If the proposals were to come to pass, the south Wales figure would fall to 9,500 directly employed in just nine pits producing around 4·7 million tonnes a year. It would mean the closure or merger of 17 units, the loss of some 2·3 million tonnes of capacity and shedding of 9,000 jobs.

Both those scenarios — the optimistic and the pessimistic—assume that the Margam coking coal mine will be sunk, employing some 750 men producing around 600,000 tonnes of coal. That is an optimistic assumption which given the prevailing political and economic climate, appears less grounded in reality as each day passes.

We in south Wales need greater investment in new mining capacity and equipment, and an end to deliberate manpower shortages in south Wales pits. We must have our fair share of the new technology to avoid experiencing an even swifter widening of the performance gap between south Wales pits and central block pits that is occurring now.

Like my right hon. Friend the Member for Blaenau Gwent (Mr. Foot), I remember the experience that we had in south Wales with Mr. Ian MacGregor as chairman of the British Steel Corporation. I remember going to see him as a member of the European Parliament to argue for a slower run-down of the steel industry in this country. The run-down was accelerating at a faster pace in this country than in any other country in the EEC. When I reminded him that part of the EEC treaty of Rome argued for such a thing as social policy when we were running down our older indusries, he turned to me and said, "What is social policy?" He neither knew nor cared. That is also the situation in the coal industry.

While the Secretary of State and his colleagues talk about reconciliation in the coal industry after this damaging strike, which was exacerbated by the actions of his Government, I remind him that five men in my constituency were sacked eight weeks ago for allegedly spitting at the one miner out of 6,000 who worked through the 11-month dispute. Two of those men were not even present when the alleged incident took place. They were sacked on the say-so of one man—they were sacked on the say-so of the chairman of the National Coal Board. Eight weeks later their appeal has still not been heard. I ask the Secretary of State to ensure that that appeal is heard as swiftly as possible.

While such injustices as that prevail in coalfields such as south Wales and elsewhere in Britain, there can be no reconciliation in the coal industry. I ask the Secretary of State to use his good offices to ensure that those men's appeal is heard as swiftly as possible.

12.8 am

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I am pleased to follow my hon. Friend the Member for Cynon Valley (Mrs. Clwyd). I shall come to the point about sackings on which she ended her speech.

I thank you, Mr. Deputy Speaker, for the opportunity that you have given me to say a few words in the debate. Patience is eventually rewarded. It is appropriate that we are taking the Bill into the night shift because that is what coal miners do. It is what many of my constituents do day in, day out, week in, week out, to provide the coal that the nation needs and will continue to need.

Most of the weak-kneed flaccid specimens on the Government Benches have not managed to remain with us. I give credit to the hon. Member for Sherwood (Mr. Stewart) who is still with us. It is notable that the hon. Member for Leicester, East (Mr. Bruinvels), who is always determined to get to his bed early, is not here. We heard a lot from the right hon. Member for Plymouth, Devonport (Dr. Owen) during the strike, but he has not been present for one moment during our debate.

We are talking not only about future investment in the industry, but about the cost of the dispute. The dispute was unnecessary, and it was engineered by the Government. Anyone who read the article in *The Economist* knows that the present Secretary of State for Transport was the principal architect of the dispute — *[Interruption.]* The Secretary of State for Energy, as usual, rollicks with laughter. He is well-heeled and can afford to do that. We know how the plan was engineered, how social security benefits were undermined and how trade union legislation was changed deliberately to deal with the dispute.

During the dispute I was with my constituents on the picket lines. I went regularly to the strike centre and spoke at meetings. I make no apology and I have no regrets.

I say to the pundits and to the punters, "Do not make any political or industrial assessment of the outcome of the dispute too soon. Let us see what happens in the next two years." I think that something unexpected by Tory Members will take place.

A strong commitment to coal has been made in the debate. Many of my colleagues have worked for years in the coal industry, and, unlike Tory Members, they know what they are talking about.

I shall comment on some ideas expressed by Conservative Members, starting with the hon. Member for Sherwood, since he has had the courtesy to remain in the Chamber. Recently I saw the headline, "Andy Stewart to Retire." Unfortunately, that referred to the excellent Scottish singer rather than the not so excellent Scottish Member of Parliament. The Register of Members' Interests provides a clue to the hon. Gentleman's commitment. He declares that he owns Beesthorpe Manor Farm, Newark. He therefore receives a great deal of public money in subsidy. Unlike the poor mining lads in his constituency, how much did he receive in 1983 in guaranteed payments, compensatory allowances and other subsidies?

Mr. Andy Stewart: Britain's three major industries are agriculture, steel and coal. The highest subsidy per employee goes to the mining industry, the second highest to steel and the third to agriculture. That is the truth. Subsidies to any industry are for the benefit of consumers, not of those who work in the industry.

Mr. Foulkes: That does not answer my question, the hon. Gentleman protests and gives wrong statistics, as other Gentlemen farmers know.

Let us consider what other Conservative Members have said and discover where their real interests lie.

The hon. Member for Erewash (Mr. Rost) is a director of Northcott Investments Ltd. and Penrhos Electrics Ltd., and investment adviser to General and Overseas Trust Ltd., parliamentary consultant on energy matters to Associated Heat Services, to the Warmer campaign and to Weleda United Kingdom Ltd. Those are not the types of jobs that miners can pick up; they are picked up by hon. Gentlemen who are part-time Members — who are elected to represent the interests of their constituents but who look after their own interests.

The real interests of the hon. Member for Ludlow (Mr. Cockeram) lie not in the coal industry, but in his directorships, his employments and his profession——

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. The hon. Member must relate his remarks to the Bill, or what ought to be in it.

Mr. Foulkes: Conservative Members call for the privatisation of the coal industry and the opencast mining industry. The hon. Member for Ludlow paid a flying visit to Namibia, sponsored by Rio Tinto Zinc, which has an interest in privatisation.

I can see that Conservative Members do not like what I am saying. Many of them are involved up to their necks in businesses that take advantage of the coal industry. If there is privatisation of opencast coal mining, Conservative Members will benefit. The public should know where those hon. Members' real interests lie. I am speaking of the Flash Harry types who spoke earlier in the debate.

The coal industry will never recover fully while the bitterness of the sackings remains. The same problems exist in my constituency as in those of my hon. Friends. The aftermath of the strike is bitterness indeed. Whatever the managers may tell us, neither productivity nor morale will recover fully unless there is justice, fairness and honesty in the management of the industry. None of those qualities has been evident in the sackings.

I wrote to Mr. Albert Wheeler, the NCB director in Scotland. He asked me how I could justify the reinstatement of men who had been guilty of acts of sabotage or serious offences but it is not true that most of the sacked men had been guilty of such offences. As my hon. Friend the Member for East Lothian (Mr. Home Robertson) said, more than 200 men have been sacked; yet I had an answer from the Solicitor-General for Scotland to the effect that only just over 30 miners in the whole of Scotland had been convicted of offences that could even remotely be considered serious. Seven had been convicted of assault, some of possessing dangerous weapons and some of other offences. Where are the acts of sabotage among those 200 men? I asked Mr. Wheeler if he would say which men had been involved in serious offences or acts of sabotage. I have had no reply.

There is a vendetta against certain activists. Union activists have been picked out. We see that happen in totalitarian countries. We see it happen in Latin American dictatorships. I never thought that we would see it happen here.

Mr. Home Robertson: My hon. Friend asks about sabotage in the Scottish coalfield. There have been acts of sabotage. There was, for instance, the flooding of Polkemmet. That sabotage was not the responsibility of any NUM member; it was probably the responsibility of Mr. Albert Wheeler.

Mr. Foulkes: I accept that point. I shall not elaborate on it.

Mr. Wheeler told me in his letter that the men could seek redress through industrial tribunals. Apart from the time that it takes to go to an industrial tribunal, and the fact —as was mentioned by my hon. Friend the Member for Dunfermline, West (Mr. Douglas) and has been argued on occasion by my hon. Friend the Member for Midlothian (Mr. Eadie) —that the conciliation procedure has been bypassed entirely, I asked Mr. Wheeler whether a man who went to the industrial tribunal and was cleared would automatically be reinstated. The answer was no. What sense and justice is there in that? That is what the men in Scotland are having to face. While that situation continues, there will be no reconciliation in the coalfields. That is typical of the negative and devious attitude of the management of the coal industry in Scotland in the last few years.

I shall give one other example of deviousness. It is a case study in deviousness in the NCB workshops at Lugar in my constituency. We suspected that the NCB might be planning to close it. The board deliberately let it run down, all the time maintaining that it had no plans to close it. By encouraging transfers and voluntary redundancies, the board got it down to a level at which it was no longer viable and could no longer continue, and closure then became inevitable. The board then said, "What can we do? We do not have the men; they have all moved elsewhere." But the board did that deliberately.

Let me refer next to the future for Ayrshire coal. Ayrshire coal at the time of nationalisation was mined in over 40 pits in the great Ayrshire coalfield. When I became a Member of Parliament, there were still four pits open. Now there are two open, and two with an uncertain future —Killoch and Barony. At Killoch and Barony, all the faces are back at work, and have been for some weeks. Those are the pits that in the course of the strike the management said were devastated and would take months to get back, yet they were back quickly, proving that that was a scare story by the management during the strike. Now we are getting stories from the NCB again showing its deviousness and negative attitude. We are told that Killoch and Barony have geological difficulties. My God, they are not new. By their nature, there have been geological difficulties almost since the earth began—at least for hundreds of thousands of years.

I spoke to the Parliamentary Under-Secretary about Killoch and Barony, and, to be fair, he was reasonable and helpful. I know that the Parliamentary Under-Secretary says that each individual pit is a matter for management decision. We are talking now about the money that is available and the strategy for the coal industry. The hon. Gentleman said that one of the Government's criteria for keeping pits open was that there should be a market for the coal. Even the chairman of the NCB has said that. My hon. Friend the Member for Cynon Valley and I had a discussion about this the other day. The coal in Wales and in Ayrshire is of high quality. It is low in chlorine and in sulphur. Therefore, it is the best quality coal environmentally. There is a market for that coal. The NCB and the Government agree that there is a market for it. Nevertheless, the director of the NCB in Scotland has made the ridiculous, divisive, negative and devious statement that he can guarantee the future of Killoch and Barony for one year only. I ask the House to imagine the effect of that on the morale of the work force and on people contemplating the future and what they are going to do. It is a guaranteed death sentence — not an immediate death, but a slow, lingering death. That is the kind of attitude that we are facing.

I hope that the Parliamentary Under-Secretary will give some pledge to reconsider this matter. Perhaps he can tell us the position, particularly with regard to Kilroot power station. To give some credit to the Government and the the chairman of the NCB—he has not had much tonight— the chairman has been trying to get Kilroot power station converted to coal so that it can take Ayrshire coal.

We need a commitment about the future of the Ayrshire coalfield. It would be catastrophic if Killoch and Barony were closed, because there would be no coal mines in the whole of the west of Scotland — in the whole of Strathclyde. Already the Lanarkshire coalfield has gone. About 4,000 men are employed in mining in the region five years ago. The number is now down to 2,300. That is how many jobs we must replace already.

If those pits were closed, what would happen to those 2,300 men? There are not many jobs nearby. I am sure that my hon. Friends the Members for Dunfermline, West and for East Lothian will confirm that there are no jobs available for the Ayrshire men in Lothian and Clyde. So where will they be transferred? In addition, what future do the young people have? They have seen the coal industry in Ayrshire as their only, or almost their only, opportunity for a job. I am unable to convey to the House the sense of aimlessness and hopelessness among the young people.

In answer to a recent parliamentary question from my hon. Friend the Member for Blackburn (Mr. Straw), it was revealed that whereas the Prime Minister spends days and weeks, even months, abroad, she does not spend much time visiting the regions of the United Kingdom, seeing the problems at first hand. I hope that I have conveyed to the Minister the sense of frustration, aimlessness and hopelessness among the youngsters in areas such as mine.

My hon. Friends have described the amount of money that is being put into NCB (Enterprise) Ltd. as peanuts, and they are right. The leader of the SDP has tried to claim that he thought of the idea of NCB (Enterprise) Ltd., but I am sure the Minister will confirm that for some years many people have suggested that type of operation. Cumnock and Doon Valley district council suggested the establishment of such an organisation some years ago, and I recall writing to the Department on the subject.

Ayrshire is a traditional coal-producing area. If Killoch and Barony were closed, we should have to import coal into the area for the concessionaires. Even more important, we should have to import coal to fuel the boilers of schools and houses. Ayrshire county council made sure that the boilers for which it was responsible were coal-fired because of its commitment to the coal industry. It would be ironic and catastrophic if that situation occurred and we had to import coal.

I am worried about the fact that sometimes the management of a nationalised industry does not demonstrate a commitment to the future of that industry. It seems sometimes that those concerned do not want to

make a success of it. I shall give a recent example of a contract to transport coal from Knockshinnock in my constituency to Longannet. It was an interesting case, and at the time some of my hon. Friends and I kicked up a terrific fuss about it.

In that case, a £3 million contract—it was said to be the first of many other contracts that would follow—was awarded to the South of Scotland Electricity Board, a nationalised industry, over the telephone, within three hours, to Yuill and Dodds and two other firms in a consortium.

The first protest against the award of that contract came from a company named Wilsons of Coylton. Mr. Wilson is a rich man who lives in the constituency of the Secretary of State for Scotland. All his employees live in my constituency, which is a revealing fact in itself. Mr. Wilson complained because not only was he given a different mileage for the contract, but he was not given an opportunity to form a consortium.

Not only was that huge contract awarded over the telephone, but I now discover something even worse than that. There was collusion between the Secretary of State for Scotland and the electricity board over the award of that contract to make sure that the railways were not allowed to participate. I have a copy of a letter from Donald Miller, the chairman of the South of Scotland Electricity Board, to the Secretary of State for Scotland, in which, referring to a discussion between them, he says that one reason for rushing the contract through and doing it on the telephone was to keep British Rail out.

Is that not crazy? How are we going to get nationalised industries to make a profit if they are not allowed to compete for contracts of this kind? Hon. Members know about the environmental impact of hundreds of Yuill and Dodds lorries careering along the roads of Strathclyde, making holes in the road, with all the cost that that involves for the local authority, and with dirt coming off the lorries, quite apart from the immorality of keeping out British Rail. I hope that the Secretary of State and the Under-Secretary of State will look into that, find out why there was this collusion, and perhaps make a statement about it.

With reference to the point made by my hon. Friend the Member for Cynon Valley about the EEC proposal, again today, as at Question Time on Monday, Ministers pretend that they know nothing about it; they claim ignorance of the Commission's proposal. I find it impossible to believe. First, Lord Cockfield is a Tory member of the Commission, so they ought to know exactly what is going on. If not, they are incompetent.

I suggest that the Ministers do not know what is going on. They know that the Energy Commissioner has made a devastating proposal and that it has been thrown back by the Commission. However, knowing what happens in the EEC—and I have got to know it in the last year—we shall see that coming back again and again, and the coal mining industry in Britain will suffer. I hope that the Under-Secretary of State will give the reassurance in his reply that the Government will have no truck whatsoever with this proposal from the EEC Energy Commissioner.

Mr. Barron: Does my hon. Friend agree that the EEC ought to be using more British coal than coal from other parts of the world? The EEC imports over 18 million tonnes of coal each year from South Africa. That is immoral at the present time when South African miners are being shot because they will not accept contracts that are being forced upon them by the companies working there. Does he further agree that, if we are really partners in Europe—something I am personally very sceptical about—we ought to be selling British coal to that market?

Mr. Foulkes: My hon. Friend is absolutely right. Would it not be marvellous if the EEC had as its priority not a common agricultural policy but a common coal policy? Then we would see some commitment, and perhaps some Opposition Members might have a bit more sympathy with European co-operation.

Mr. Hardy: Would my hon. Friend care to remind the Minister that, as I understand it, the Italian Minister of Agriculture, keen to serve his national purpose, is urging the EEC to ensure that all schools in Europe encourage the consumption of wine? I do not think that he has gone so far as to demand that wine be given out free in schools, but he has come very close to that. If he can serve the interests of wine producers in Italy, surely the very valuable role of coal in Britain could be served if our Minister took a leaf out of his book.

Mr. Foulkes: I am grateful to my hon. Friend and glad that he came to that conclusion. For a moment I thought that he was going to say, "Let them eat coal." We do not have enough pregnant women around to make that a profitable enterprise.

My hon. Friend the Member for Rother Valley (Mr. Barron) raised the question of imports. It is not just the EEC. I hope that we shall have a clear indication that the Government have done something to curb imports. I hope that we shall have a categorical guarantee that the Government will not import any coal whatever from South Africa.

I hope that we shall have an indication of what future investment there is to be in Scotland. What is to happen to Happendon? What is the future for Canonbie? Where are the future Scottish coalfields to be? Is there to be a future for the Scottish coalfields? What I hear from the NCB and the Government makes me pessimistic. The only suggestions appear to be for a major opencast development. We heard that from the hon. Member for Darlington (Mr. Fallon).

Let us not forget the environmental impact of opencast mining. Let us not forget the promises that I and other hon. Members have received—that if the local authorities agreed to the development of opencast mining, it would be a quid pro quo for the continuation of the deep mines. I had a promise in my own constituency that we would see Sorn and Highhouse pits maintained if opencast was allowed to develop, but the opposite was the case. Instead of being complementary, they became competitive, and the pits were closed down.

I join my hon. Friend the Member for Easington (Mr. Dormand) in commending the work, the plans and the proposals of the communities' coalfields campaign. Those are from local authorities which know the coalfields and the miners. Unlike Conservative Members, they feel for the future and want to participate in a future for coal.

There is—there must be—a future for coal in Britain. If the Government do not indicate it, then after one or maybe two years, when there is a general election, we shall see the return of a Labour Government and of a positive commitment to coal.

12.36 am

Mr. Alexander Eadie (Midlothian): I heard some comments about the wind-up speeches being on the night shift, and that has proved to be the case. I do not think we should be too fussy about that, because this is an important subject, it is an important Bill, and it deserves argument and debate.

In the debate, points were raised which, in relation to the history of our country and the history of the coal mining industry, are well worth studying. My hon. Friend the Member for Blaenau Gwent (Mr. Foot) mentioned a former Member of this House, Billy Blyton, how he had been victimised and the struggles that he had. Billy Blyton served all his life in the mining industry and he had a favourite phrase. It was, "I was a miner by profession and I am now a Lord by accident." We are pleased to see that he is still in the House of Lords.

In looking back at the history of the industry we should think of another person, and I say this particularly to the hon. Member for Sherwood (Mr. Stewart). I refer to Lord Taylor of Mansfield, a former Member of this House. Indeed, he wrote a book which all hon. Members of this House should read, because it would give them a general feeling for the background to the debate.

I became a little annoyed—I apologise to the House—because someone was giggling when my hon. Friend the Member for Hemsworth (Mr. Woodall) was talking about the tragedy he had when his father broke his back in 1926, and about his mother's struggles. That tragedy reminds some of us of our own personal experience. I cannot approach these matters without feeling emotionally involved, because I am the son of a victimised miner. When filling in a nomination paper, I recalled that I started in the coal industry in 1934. I remember my father being victimised in 1926. I often say that I was not brought up; I was dragged up. When I started in the pits in 1934, my father was still going into the pits. I managed to get a job in the pits because the lad whose job I got—he was a bogie driver — had been killed the week before. I worked for about 18 months before my father finally got back to the pits, between 1926 and 1935. He was victimised throughout. I am very proud of my father. Each of today's victimised miners is as good as ever my father was.

Although the Bill deals with the provision of money, we must not forget the future consequences of the strike for the industry. The Opposition have tried to make the point throughout the debate that we are talking not simply about money but about the future of the industry and how it can return to sanity in terms of better industrial relations.

The Bill is the consequence of what the present chairman of the National Coal Board described as "a little local difficulty outside of town." That remark alone should have ensured his dismissal for monumental incompetence. The Secretary of State for Energy must bear some responsibility for the fact that the chairman of the NCB still holds office. Mr. MacGregor is probably the most spendthrift, incompetent chairman of a nationalised industry that this country has ever experienced. It is to the eternal shame of this Government that they continue to prop him up. It denigrates this great industry.

We have listened to lectures from Conservative Members about finance, and we should not forget that the Chancellor of the Exchequer described the miners' strike as "a worthwhile investment." It has been made perfectly clear tonight that the Government have no energy policy and, moreover, have no intention of creating one. They are operating a pragmatic, mixed energy strategy. If during the last 12 months their policies contained any element of strategy it was designed not to reach a negotiated settlement but to defeat the National Union of Mineworkers.

Mr. Peter Walker *indicated dissent.*

Mr. Eadie: The Secretary of State for Energy can mumble as much as he likes, but I shall continue to say that he could have settled the strike honourably. I telephoned him from Sheffield and told him what had been said in the House of Commons—that the Government would accept the NACODS agreement without it being signed. The strike could have been settled because I had the full authority of the NUM behind me, but the right hon. Gentleman refused even to speak to me. He had no enthusiasm for ending the strike.

Mr. Walker: Rubbish.

Mr. Eadie: It gives me no pleasure to say that the Government will come to regret their strategy. Many of my hon. Friends and I have a great feeling for the industry. We have worked in it and we believe in it. It is necessary for the nation. I say that pointedly to the Secretary of State.

The Government were prepared to use any weapon to achieve their ends. They were willing to use the energy sector as a blunt instrument, involving nuclear power, imported coal and huge revenues from North sea oil. It has become obvious over the past 12 months that the Government have been prepared to use vast amounts of the nation's capital wealth to gain what they saw as a "victory" in the miners' strike.

We do not know the exact figures, but perhaps one third of the annual revenue from North sea oil has been spent on the strike. Even if it is £5 billion or £6 billion, it is likely to increase as the knock-on effects run through the economy. We do not know the price of that industrial dispute.

Energy supply and use remain uncertain in many respects and the Government do not have a free hand. For example, a massive nuclear power programme would take 10 years to get under way. Building the facilities to handle huge quantities of imported coal would be too expensive, and the strengthening of the dollar, which is still strong, has reversed the competitive position of coal imports anyway. Oil prices are not expected to fall substantially and the large price advantage enjoyed by coal will, therefore, be maintained.

I think that I speak for my hon. Friends when I say that the nation and the Government cannot do without NCB deep-mined coal. There is no alternative in the short term or the medium term.

I am not sure about the CEGB agreement on coal use. I have read conflicting figures. I am told that the CEGB may have agreed to take up to 95 per cent. of its coal from the NCB, but the price aspect is interesting. The price is lower than that at which even South African coal can be imported into power stations. In addition, I learn that the CEGB has been ordered to replenish its stocks to pre-strike levels, which means that it needs another 20 million tonnes. The market position has changed since March 1984, and the nation needs coal.

It is about time that we were given a satisfactory reply about the victimised miners. Ministers in the Department

of Energy have been dodging the issues. The problem will not go away. Ministers cannot sustain for much longer their response that it is a matter for the NCB. It is not.

As I said in the debate on the redundancy payments scheme, the NCB is a creature of statute. Parliament and the sponsoring Ministers therefore have a responsibility in relation to the Board. The Coal Industry Nationalisation Act 1946 requires Mr. MacGregor and every area director of the NCB.

"to enter into consultation with organisations appearing to them to represent substantial proportions of the persons in the employment of the Board"

As my hon. Friends have said, and as the hon. Member for Orkney and Shetland (Mr. Wallace) also pointed out, a procedure for conciliation and consultation is written into the Act but it is being deliberately and blatantly violated by the National Coal Board. Under the conciliation procedure, every miner who is dismissed has the right to have his case individually considered. As my hon. Friend the Member for Dunfermline, West (Mr. Douglas) said, there are three stages—the last of which is consideration by the umpire, whose decision is binding on union and management alike. To do as Ministers suggest, and as the National Coal Board itself has the audacity to suggest, and to refer cases to an industrial tribunal as a road out is a wanton deception when Parliament has already laid down the procedures to be followed.

When I raised one of the cases with the Secretary of State—I am grateful to him for being present now—and pointed out that the procedures for conciliation and consultation had not been carried out by the NCB, he replied on 15 April:

"You raised a particular point about the NCB's conciliation procedures. I suggest that you get in touch with the Board direct if you find it helpful to have clarification about the operation of those procedures."

That is a complete abdication of responsibility.

Mr. Fallon: Nonsense.

Mr. Eadie: I will deal with the hon. Member for Darlington (Mr. Fallon) later.

As the sponsoring Minister for coal, the Secretary of State is accountable to Parliament to ensure that its statutes are observed. Failure to do that is dereliction of duty and the Secretary of State should be censured for that today.

The hon. Member for Orkney and Shetland described the position of a miner whose case had been found not proven in the court. I think that the position is even worse than the hon. Gentleman suggested. The miner in question was NUM secretary at Bilston Glen colliery, in my constituency, and he was charged with having committed a breach of the peace because he had overstepped a white line.

Mr. Wallace: That is right.

Mr. Eadie: Last week Lothian regional council, which is Tory controlled, wrote to the NCB in Scotland criticising the board for drawing the white line because it was illegal and the NCB had no business to put it there. When will Ministers at the Department of Energy exercise the responsibility given to them by Parliament? We are certainly entitled to censure them today for failing to carry out their parliamentary responsibilities. My constituent was victimised because the NCB broke the law by drawing that white line.

Mr. Fallon: The hon. Gentleman is obviously referring to a man who was victimising other people rather than being victimised himself.

Mr. Eadie: That is rubbish. The hon. Gentleman has not been long in the House. I hope that he was listening to me. I do not understand how he can reach such a conclusion. I shall deal later with his speech.

My hon. Friend the Member for East Lothian (Mr. Home Roberston) drew attention to an article in yesterday's edition of *The Scotsman*. He made important points, but they are not the real issue in that story. A strike centre was set up in Dalkeith in my constituency. The lads were on strike for 12 months. The article in *The Scotsman* tells of a centre in Edinburgh designed specially for the treatment of children suffering from leukaemia. The lads went to Edinburgh and did all the labouring work to make the centre ready for the children. That is why the article said that the Princess hoped that the miners would get back their jobs. Indeed, she met one of the victimised miners.

Many of the lads in the strike centre in Dalkeith have been victimised, yet they showed feeling and compassion for the community. They have been found guilty of trivial offences, but we are told by the Prime Minister, MacGregor and Wheeler that they are criminals and vandals. We are entitled to resent that. Those lads voluntarily gave time to ensure that a centre was prepared for children suffering from leukaemia. It says a great deal for those who organised the function that when they asked Princess Alexandra to open it they had the thoughtfulness and decency to invite some of the lads to the opening ceremony. I am proud of the lads, not ashamed of them.

I wish to deal briefly with the hon. Member for Darlington, who made a peculiar speech. He began with a conciliatory and sympathetic tone, but then said that one panacea for solving the problems of good, cheap, indigenous coal was to develop opencast mining. I do not think that many of his Tory friends will thank him for the suggestion that we should go to Oxford, Sussex and Surrey and develop mass opencast mining. If the people of Oxford, Sussex and Surrey are worried that that may happen, I can allay that worry. The hon. Gentleman suggested that we should substantially increase opencast mining. The Minister can confirm that the maximum production of opencast is about 15 million tonnes.

The hon. Gentleman should have researched more carefully before suggesting that opencast mining would solve the fuel problems of this country. When Mr. MacGregor arrived in this country, he thought that we could get all the cheap coal we wanted by doing what they do in America. They call it strip mining; we call it opencast. He then discovered that even developing opencast mining to produce 15 million tonnes is very doubtful and that there is only 30 to 35 years of opencast. If the hon. Gentleman is suggesting that we double opencast production, its life would be about 17 years. The hon. Gentleman seems to think that there would be a bonanza as a result of substantially increasing opencast production. I do not know with whom he is associated, but I am sure that he has in mind private capital and private investment. That would enable the so-called entrepreneurs to make a killing from the mass development of opencast mining. I know that the hon. Gentleman was educated at St. Andrew's university and I live in the county of Fife. He will understand when I say that he was blathering. He will understand at least that much of the Scottish language.

Mr. Fallon: I did not say that I wanted opencast production to be doubled. I suggested that production should be increased by at least half as much again. I did not say anything about a bonanza and I have no financial interest in the opencast operation. I want to know whether the hon. Gentleman agrees with the quantity controls on opencast production, with the reluctance of county councils in the north-east to grant planning permission and with the reluctance of the board to grant licences to its licensed operations. Is he happy that men are to be laid off in the north-east—some of them will be my constituents—who are not employed by those for whom he acts and who are members of the Transport and General Workers Union and not of the NUM? Is he happy that the industry should be frozen and fossilised in the north-east rather than expanded slightly to the degree that I have accepted?

Mr. Eadie: I am not happy about the Government's attitude to providing employment opportunities. If the hon. Gentleman is suggesting that in the interests of employment we must ride roughshod over people's environment, whether for opencast production or deep mining purposes, my response is that we are entitled to consider the environment of others.

Mr. Fallon *rose*——

Mr. Eadie: There should be inquiries. We should know precisely what we are doing. The opencast operation provides only a small part of our energy needs and our energy needs will not be met and our problems will not be solved or mitigated through increased development of the opencast operation. I shall not give way to the hon. Gentleman again as I have answered his question.

It is not unreasonable for the Opposition to ask about future investment in the industry. My hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) addressed himself to this very issue. The Government must know what the future holds. The Secretary of State claims that he has an arm's length relationship with the chairman of the board. He is always trying to kid us that that is the relationship. I was a Minister in the Department and I am aware of the Department's relationship with the coal board. It is bound to have an idea of the new pit sinkings that are planned. If it has not, it should be asking the board for information. We are debating the provision of substantial sums and we are entitled to know what is planned. The people are entitled to know; Parliament is entitled to know. The Secretary of State does not like it when I say that it is to the eternal shame of the Government that not one new pit has been sunk since the Government came to office in 1979.

If we are talking about investment, we are entitled to know about new pit sinkings. We are entitled to know whether the new pits will be sunk. Some of my hon. Friends have asked about investment, and we are entitled to expect answers from the Minister.

On 10 March, Mr. MacGregor was reported in *The Sunday Telegraph* as saying that the number of pits would be reduced to between 80 and 120 by 1990, and that year is not a long way away. As my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) said, we are talking about a massive contraction of the mining industry and not merely pit closures. Are we talking about a replacement strategy? We must know whether this is to be the strategy, and we must know when it will happen and the precise location. What is the projected output envisaged not only for this year, but for the next five years? We want to know how many pits will be left and what the manpower will be.

By any standards, the Bill contains substantial borrowing powers, and this is one point on which my hon. Friends agreed with Conservative Members. The Minister should tell us the rate of interest on the money borrowed by the coal board. We know that the rate is decided by the Treasury, and I believe that we are entitled to that information. How much interest will the NCB pay on its borrowing as a result of the Bill?

Many questions asked in the debate remain unanswered. Some of them are probably best dealt with in Committee. I give notice to the Minister that when the Bill reaches Committee we shall want a great deal of information about the consequences of the Bill, including pit closures, pit sinkings and coal board enterprises. I hope that when the Minister replies he will be able to answer some of the questions that we have asked. If not, I trust that he will either write to me or give us the information in Committee.

1.6 am

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): Tonight we have had a wide-ranging debate on matters relating to the coal industry and, as the hon. Member for Midlothian (Mr. Eadie) said, relating to this important Bill. A wide range of opinions have been expressed, and many points have been made with which I shall try to deal in the next few minutes. However, as to the specific questions on points of detail, I should be grateful to the hon. Gentleman if he would allow me to respond to them either in writing or in Committee, if they relate to mattes that will come up there.

It is right that there should be such widespread interest in coal because of the importance of the coal industry to the British economy. More than one third of the primary energy demand in the country is met by coal, and three quarters of our electricity is normally produced by coal-fired generation. Britain is richly endowed with energy resources, including gas, oil, nuclear power and coal. It is important that all those options should be active and developing. Coal production must include not only deep-mined but open cast, and the relevant points made by my hon. Friend the Member for Darlington (Mr. Fallon) were, to some extent, misunderstood by the hon. Member for Midlothian.

The debate was primarily about the resources to be made available to the coal industry during the coming two years. The hon. Member for East Lothian (Mr. Home Robertson) went rather far when he said that this was a little gesture from the Government. It is much more than that. As my hon. Friend the Member for Sherwood (Mr. Stewart) rightly said, it is enough to incite a strike by taxpayers. My hon. Friend the Member for Ludlow (Mr. Cockeram) reminded us that this is a depressingly familiar ritual involving massive sums of money, and he reduced it to the simple figure of £2 a week compulsory taxation. He stressed that that level of subsidy was intolerable. We seemed to float from one statement to the next, with the hon. Member for Hemsworth (Mr. Woodall) saying that the Government were just paying lip service to the industry. No wonder my hon. Friend the Member for Warwickshire, North (Mr. Maude) said that any stranger coming into the debate would be incredulous, and rightly so, because we are talking about substantial sums. As my

hon. Friend the Member for Erewash (Mr. Rost) said—[HON. MEMBERS: "Where is he?"]—he had seen it all before, and he made some points——

Mr. Hardy *rose*——

Mr. Hunt: Just one second, if the hon. Gentleman will contain himself——

Mr. Douglas: On a point of order, Mr. Deputy Speaker. I hesitate to do so, and apologise to the Under-Secretary. Is it not a convention that one does not reply to speeches when the hon. Members concerned are not in the House?

Mr. Deputy Speaker (Sir Paul Dean): If that were to happen, many speeches would be made in the House to which no reply was given.

Mr. Hunt: If I might respectfully put the point, I think that my hon. Friend the Member for Erewash raised an important question when he pressed me as to whether the Government would now turn their attention towards privatisation of the coal industry. I wanted to make it absolutely clear that the Government have no plans for privatisation. What the coal industry now needs is a period of consolidation and growth as we recover from the strike. We have stressed that time and again.

The hon. Member for Doncaster, North (Mr. Welsh) gave some figures for subsidies from the European Community. It is right that we should put them in context because this country provides more support to its coal industry than any other Community country. The comparison must take into account long-term support in the form of investment finance as well as short-term support in the form of production subsidies. The amount of investment that this country has put into the coal industry has been at record levels under this Government.

Mr. Welsh: I accept that there has been a tremendous amount of investment. But does the Minister agree that the coal board cannot get investment finance from anywhere else? The coal industry is not allowed to go to the open market for investment finance. We are not allowed to go to Europe for investment finance. It can come only from the state. We pay the going rate—in fact, a little bit more—to pay back the finance, or a negotiated rate, which the Minister might tell us about. That fact must be brought to hon. Members' notice. The only place from which we can get investment finance is the Government of the day.

Mr. Hunt: But as the hon. Gentleman will know, it is a convention that nationalised industries borrow from the national loans fund. They do so because, for the country that is a cheaper way of borrowing money than borrowing it on the open market. That is a fact of life. I do not want to go into the detailed points that the hon. Gentleman raised. He mentioned several other important matters, on which I shall write to him.

I should like to refer to the crucial point raised about the alleged leaks from the Community mentioned by the hon. Members for Cynon Valley (Mrs. Clwyd) and for Carrick, Cumnock and Doon Valley (Mr. Foulkes). I remember the hon. Gentleman debating many years ago. He has probably forgotten it. Time has not moved on for him since then, but for me I hope it has. I saw the Commissioner, Mr. Nic Mosar, with my right hon. Friend the Secretary of State on Monday. He categorically denied that there was any such proposal.

Mr. Foulkes: Really?

Mr. Hunt: Let the hon. Gentleman accept what I have said. He categorically denied that there was any such proposal.

Mr. Foulkes: Of course I accept what the Minister said, but does he accept that I have heard, from a reliable source, that the energy Commissioner put forward to the Commission a paper on the phasing out of state aids to the coal industry. My hon. Friend the Member for Cynon Valley (Mrs. Clwyd) has had exactly the same information. It has been published in the press. In view of that, will the Minister go back to Mr. Mosar, find out exactly what the position is, and try to clarify it? It is very worrying if such a proposal is in train.

Mr. Hunt: My right hon. Friend and I had a good and constructive meeting with the Commissioner on Monday. He made it clear that there was no such proposal, but he is working on a paper that will come before the Commission. A further proposal must be made because the current regulation expires this year.

The industry must continue to receive support through the funds available so that it can break even. That is the sane solution and the only way to secure jobs in the industry.

My right hon. Friend the Secretary of State has set out clearly what is to happen about closures. Negotiations are in progress to agree the new procedure. It is a matter of common sense. I am sad that the right hon. Member for Salford, East (Mr. Orme) did not understand, but I do not think that he wanted to understand. The hon. Member for Wentworth (Mr. Hardy) and the hon. Member for Orkney and Shetland (Mr. Wallace) reminded the House that pits have always been closed because they are exhausted, because mining conditions have become too difficult or because they have become too uneconomic. Between 1964 and 1970 an average of 44 pits a year were closed—a total of 260. Under Labour Governments, 330 pits were closed. Pits containing significant quantities of coal underground were closed by the right hon. Member for Chesterfield (Mr. Benn).

Nobody denies that a decision to close a pit can have serious implications and should not be taken lightly. We are now dealing with a serious situation in the coal industry. Devastating damage has been caused by the strike—that sad, unnecessary and pointless strike. My right hon. Friend has explained how appalling the wrecked faces are.

Mr. Allen McKay: Closures were always agreed in the past. Following the strike, pits cannot be closed without first being examined under the review procedure.

Mr. Hunt: If a pit is closed because of damage caused by the strike, there will be an opportunity for the unions to consult the NCB. I am talking about what happens now when the majority of a work force wants to accept early redundancy or to transfer to another pit because it is obvious that their pit has no future. The NCB intends to introduce the modification to the review procedure. I hope that all parties will be reasonable so that current discussions are successful.

Dismissals have also been an important factor in the debate, but many hon. Members forgot an important factor. They forgot the background to what occurred. The country still remembers those disgraceful scenes of mob

[Mr. Hunt]

intimidation and violence. I shall not comment on individual incidents because many people named might be innocent.

The hon. Member for Orkney and Shetland said that some workers were dismissed for trivial offences. I want more details so that I can draw the NCB's attention to the cases. I warn the House, however, that the NCB has already responded to the demand that every case be carefully considered and dealt with.

Mr. Eadie: We are becoming fed up with dodging and hedging. The point is that a procedure exists in the industry. It is no use the Minister saying that every case has been considered. That is not true and the Minister knows that it is not. Every miner is entitled to have his case heard individually at his colliery until the umpire makes his decision — which is final and binding on both management and men.

Mr. Hunt: That is not true. At the time that most of these dismissals took place, the NUM was not involved in the process of consultation and conciliation. This is a recognition of the true position. It is also a recognition of where the responsibility lies. It lies with an employer. The employer is the National Coal Board. It is right for cases to be raised with the NCB, and I shall raise the cases that have been mentioned in the debate with the NCB, but let us not get this out of proportion.

The hon. Member for Hemsworth asked what was wrong with verbal intimidation. I think it is deplorable that a small number of miners should continue to practise the tactics of intimidation such as we saw during the strike. Let no one doubt the NCB's determination to tackle this problem with firm disciplinary action, including dismissal if necessary.

Mr. Martin Redmond (Don Valley): Will the Minister now condemn the verbal abuse of men by management?

Mr. Hunt: No, because I have had no evidence of any such verbal abuse. If there is any evidence, I ask the hon. Gentleman to bring it to my attention.

Mr. Redmond: If that is the case, will the Minister sack the management in those cases?

Mr. Hunt: Let the hon. Gentleman produce the evidence for me first. I do not believe that there has been any, and let us not engage in political and parliamentary banter about that. Let us have the facts. Sadly, they have been lacking from Opposition Members.

Mr. Woodall: The Minister said that there has been no verbal intimidation. We both speak without any knowledge of the facts. These sackings occurred only this week, in fact, yesterday. This has involved the whole colliery in a strike. The neighbouring colliery has come out on strike in sympathy, and the strike is likely to get worse.

All that I said was that, if grown-up men cannot disagree and fall out verbally without men having to lose their jobs, there is something wrong with the state of the industry. I maintain, even without knowing the facts of the case, that verbal intimidation is not grounds for sacking a man.

Mr. Hunt: I apologise for not having observed that the hon. Gentleman is present. Had I done so, I would have directed my remarks to him.

I made clear that I was not commenting on individual cases. I was attacking the hon. Gentleman's attempt to justify verbal intimidation. I do not believe that in the conditions under ground any verbal intimidation can be justified in any circumstances.

Mr. Woodall: I have worked in the industry all my life, and I know for a fact that certain language is used which is called pit talk. Men talk bluntly to one another down the pit using very rough language. This has gone on from time immemorial. That is not verbal intimidation. It is just ordinary men in a man's world talking to one another. I do not think that it is grounds for men to be dismissed.

Mr. Hunt: We beg to differ.

Mr. Hardy: There is, I think, little difference between us in our assessment of what is tolerable and what is not. The Minister will be aware that at one point the chairman of the National Coal Board informed some senior officials of the NCB that he would like to have a certain portion of the anatomy of the general secretary of my association. That does not lend itself to decent relationships.

Mr. Hunt: As far as the National Coal Board enterprise is concerned, I would——

Mr. Foulkes: At the beginning of this section, the Minister said that we should not forget the scenes that we saw during the strike, and that we should put this into context. Does the Minister recall — I make no condemnation of what was happening, this is merely a comparison — that south of the border we saw riot shields and policemen on horseback? In Scotland, there was no riot equipment and nothing of that sort. Is it not paradoxical that proportionately more men have been sacked in Scotland than south of the border? Does that not give the Minister some cause for concern and some indication that this has not always been as fair as he thinks?

Mr. Hunt: No, it does not.

Mr. Barron: As the Minister will be aware, I live south of the border. He said that he does not want to comment on individual cases that have been raised. Will he accept, from what my hon. Friend the Member for Dunfermline, West (Mr. Douglas) and I have said, that conflict exists about the way in which individuals have been treated, bearing in mind the charges that were brought in the courts? Will he give an assurance that he will examine such cases to see, for example, whether there has been a discrepancy somewhere and whether miners in Scotland have been treated differently from miners in the rest of the British coalfield?

Is the hon. Gentleman also aware that in certain circumstances the conciliation procedure could not be implemented because during the dispute some people could not go to the NCB's offices or see the local officials because they were banned from doing that by the conditions of their bail? The Minister may consider that to be a red herring, but it is not. Throughout the strike in my constituency I came across cases of that type. My area was a hotbed of activity, particularly towards the end of the strike, and miners were confined to barracks, as it were, and could not leave home to take part in that conciliation procedure.

It is wrong for the NCB or for the Minister to say that those people should be denied the conciliation procedure.

They should be permitted to go through that process and at this stage there should be no question of industrial tribunals. Machinery for dealing with issues such as this has existed in the industry since 1947, and but for the NCB chairman importing tactics from America, the vast majority of cases about which hon. Members have spoken tonight would have been settled within the industry and there would have been no need for debate in the House or comment in the press.

Mr. Hunt: I have made it clear that I will bring every case to the attention of the NCB, and several Opposition Members have already been to see me about individual cases. The hon. Member for Rother Valley (Mr. Barron) has not provided any evidence but has hinted at cases where conciliation processes, though applied for, were denied. I should like further details of those cases. It is no good talking in generalities. I want the facts and the evidence.

The right hon. Member for Blaenau Gwent (Mr. Foot) derided the financial provision for NCB (Enterprise) Limited. The hon. Member for Easington (Mr. Dormand) did the same. I should like to investigate further the points made by the hon. Members for Hemsworth (Mr. Woodall) and for Ashfield (Mr. Haynes) about the lack of co-operation that they said they had had from the Enterprise company.

The company has been in operation since October 1984. It has already established extensive links with enterprise agencies throughout the British coalfield and it is now actively considering—in addition to the £0·5 million already approved in loans by the company, which will create up to 400 jobs—requests for funds in excess of £3 million with the potential to generate more than 1,000 new jobs.

From the Government's point of view, funds have been made available to the company, but they will be kept under review as the company's operations progress. We are determined to see this company succeed, and I have been pleased with some of the comments made by hon. Members on both sides of the House tonight in that they have demonstrated that everyone shares that determination.

I hope that the message from the Government tonight is clear. We believe in the future of the coal industry. There can be no question but that coal will continue to be a major source of fuel for our power stations for the foreseeable future. I am confident that there will be real growth in the industrial market for coal.

I have recently visited a number of sites where horticulturists and industrialists have converted their boilers to coal firing, many with the assistance of a coal firing grant. They are all pleased with the results and the savings that they are making. The market for coal is there if the opportunities can be grasped and if there is confidence in secure supplies of coal at the right price.

The hon. Member for Easington said that confidence was returning. It is, but it is fragile in the present circumstances. It needs everyone to put the strike effectively behind them. It is recovering only because of those who truly care about their industry. One of the most important resources of our coal industry is the calibre of the men who work in it.

I hope that Opposition Members will admit that the post-strike recovery is built on the solid rock of miners who worked through the dispute, and I pay tribute to their courage and determination tonight—*[Interruption.]*—as I shall pay tribute to them face to face in a few hours' time when I am three miles underground at Point of Ayr in north Wales.

They kept faith with the best democratic traditions of the industry and there could have been no possibility of any recovery had it not been for the hard work of NCB marketing, which worked tirelessly to ensure that no industrial customers went without coal during the strike.

But of course the strike set the industry back, and the deficit grant provision sought in this Bill for 1984 to 1985 gives some measure of the cost—a damaging wound in the side of Britain's economic recovery. The alternative was to have allowed an increasing haemorrhage of the coal industry's lifeblood pouring down on economic pits. The real cost, however, is even greater, as my right hon. Friend explained in his opening speech.

In the interests of his own Red revolution, Arthur Scargill—a name that we have not heard from the Opposition in this debate, which is why it has been a very unbalanced debate on their part—set miner against miner, community against community. He set out to sabotage the industry and he failed. We all know of his latest attempts to set up a Marxist dictatorship in the NUM. That is going to fail, as it must, because I believe that the NUM values its democratic traditions too highly for that.

There has been an attempt by the Opposition tonight to rewrite the history of the strike. We have heard the phrase, "If only there could have been a negotiated settlement". Well, there could have been if only hon. Members of the Opposition had supported the TUC initiative. But they were strangely silent when the moment came. They spoke from Scargill script then and they are still speaking from it tonight. My hon. Friend the Member for Sherwood (Mr. Stewart) attempted to put the record straight.

The most ludicrous suggestion came from the right hon. Member for Blaenau Gwent (Mr. Foot), and sadly the hon. Member for Barnsley, West and Penistone (Mr. McKay) seemed to try and support this. It was the notion that Mr. MacGregor wrecked any possibility of a settlement. Yet the whole country knows and remembers that Arthur Scargill said time after time that he was proud of never having budged an inch in his position. Yet we have had no mention of the leader of the NUM from the Opposition tonight.

Mr. Allen McKay: Let us put the record straight. We were talking about the meetings regarding the review. My information is that Arthur Scargill was very, very reasonable at the last two meetings. In fact, it was the NCB that was backing away. It was through those two meetings that the British Association of Colliery Management said that it had no trust in the chairman of the NCB and until that trust comes back there wll be no progress.

Mr. Hunt: We are talking, of course, about the chairman who accepted the only ACAS proposal and I would have thought that the Opposition would revere the role of ACAS.

If only the hon. Member for Midlothian (Mr. Eadie) had at the start of the dispute backed a ballot, I do not believe that we would have had a strike. It was one of the NUM leaders at Kellingley who admitted that one of the reasons why they did not have a ballot was that they believed that they would not win it.

Surely the time has come for Opposition Members to stop reopening their own self-inflicted wounds and to do

[Mr. Hunt]

what the vast majority of miners in this country are now doing — put the sad, damaging dispute behind them. Now is the time for the industry to look forward, not backward. There lies the real debate and the context in which this Bill is brought forward tonight.

Mr. Douglas: I cannot believe that the Under-Secretary is going to conclude his speech without giving us any detail of the expected production of the industry in 1985-86, the job position or the number of pits. Having asked for these vast sums of money, it would be a gross disrespect to the House if he concluded his speech without giving us any indication whatever.

Mr. Hunt: I have great respect for the hon. Gentleman but he must realise that—as in all previous coal industry debates — we are debating, at this early hour of the morning, the maximum financial requirements of the NCB in the form of deficit grant, pit closure grants and RMPS. As he will know, once that framework is decided, the NCB, which is meanwhile reviewing the reports that it is getting from areas, can within that overall financial framework set those targets and work out those detailed plans.

Mr. Barron: Will the Minister give way?

Mr. Hunt: No, I am still answering the hon. Member for Dunfermline, West (Mr. Douglas). The long-term future for the coal industry depends on its being able to face up to the problems and having the will to solve them. We cannot go on producing more coal than the market wants at a price that the market is not prepared to pay. I should have thought that was a general theme and undercurrent running throughout the debate.

In the short term there is a continuing need for the Government to continue support in the form of deficit grant. The Bill provides a sensible and realistic set of figures, up to £800 million for 1985-86 and 1986-87, but the objective remains, and that is break-even in 1987-88.

For the long term, good wages secure jobs and the proper level of investment cannot possibly be guaranteed in a permanent loss making industry. As my hon. Friend the Member for Darlington (Mr. Fallon) pointed out, for the sake of all those imvolved in the industry, the coal industry has to pay its way. The transition may in some ways prove to be painful. Facing up to reality often is, but that does not make it any less necessary. The Government are committed to a successful coal industry. That is the clear context in which we seek the support of the House for the Bill tonight.

Question put and agreed to.

Bill accordingly read a Second time and committed to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills).

COAL INDUSTRY BILL [MONEY]

Queen's Recommendation having been signified—

Resolved.

That, for the purposes of any Act resulting from the Coal Industry Bill, it is expedient to authorise—

Deficit grants

1.—(1) Grants to the National Coal Board out of money provided by Parliament, being grants for reducing or eliminating—

(a) any outstanding group deficit for the financial year of the Board ending in March 1985; and

(b) any group deficit for the financial years of the Board ending in March 1986 and 1987.

(2) In this paragraph "group deficit" means, in relation to a financial year of the Board, any deficit shown in any consolidated profit and loss account of the Board and any of their subsidiaries prepared by the Board in accordance with a direction given by the Secretary of State in respect of that year under section 8(1) of the Coal Industry Act 1971.

(3) The aggregate of the grants authorised by sub-paragraph (1) (*a*) above shall not exceed £1,200 million.

(4) The aggregate of the grants authorised by sub-paragraph (1)(*b*) above shall be subject to a limit of £600 million, capable of being increased by order to not more than £800 million; and that limit (as it applies for the time being) may be treated as increased by any amount by which the aggregate amount expended by way of grants authorised by sub-paragraph (1)(*a*) above falls short of the limit mentioned in sub-paragraph (3) above after reaching an amount equal to the amount of any such outstanding group deficit as is mentioned in sub-paragraph (1)(*a*) above.

Grants in connection with pit closures

2. Any increase in payments out of money provided by Parliament resulting from—

(a) extending the period in respect of which grants may be made under section 6 of the Coal Industry Act 1977 (grants in connection with pit closures) to cover the financial year of the Board ending in March 1987; and

(b) providing power by order to increase the limit under subsection (5) of that section on the aggregate amount of such grants to £450 million.

Redundant workers

3. Any increase in payments out of money provided by Parliament resulting from—

(a) extending the qualifying period for payments under a scheme under section 7 of the Coal Industry Act 1977 (payments to or in respect of redundant workers) until 29th March 1987;

(b) extending the period to which the limit under subsection (5) of that section on the aggregate amount of such payments applies to cover the financial year of the Board ending in March 1987; and

(c) providing power by order to increase that limit to £1,800 million.—*[Mr. Archie Hamilton.]*

PETITION

Buses

1.36 am

Mr. Michael Fallon (Darlington): I beg to ask leave, Mr. Speaker, to present a petition to the House. It is prepared by the council of the borough of Darlington, and it is to the effect that this honourable House will decline to enact the Transport Bill or any other legislation to implement the proposals of the White Paper on buses.

I make no further comment on the petition, other than to remind the House, as is probably well known, that the fact that I present the petition does not mean that I endorse either the prayer or the premises on which it is based.

To lie upon the Table.

Coal Mining Dispute (Benefit Cases)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

1.38 am

Mr. Michael Welsh (Doncaster, North): I wish to discuss a matter which affects many of my constituents and those of other right hon. and hon. Members — the criteria for deciding benefit cases arising from the miners' dispute.

I wish to bring to the notice of the Minister the strange findings of the regional adjudication officer at Leeds in disqualifying many individuals from receiving unemployment benefit. It appears that, just because certain individuals were at one time employed in the pits in my area, and because the miners went on strike, the adjudication officer refused to allow unemployment benefit.

I shall give a few examples of people who have been refused benefit. I do not intend to deal with those mineworkers who were sacked, because I hope, Mr. Deputy Speaker, that my hon. Friend the Member for Don Valley (Mr. Redmond) will catch your eye later. A constituent of mine left the mining industry after the strike began and went to work in the building industry. Work on the project lasted for about three months. He was then made redundant. He claimed unemployment benefit, but his claim was rejected by the adjudication officer who said that he was still on strike. He was not a member of the National Union of Mineworkers and he was not on strike. The result was that he received no unemployment benefit. Furthermore, £16 was deducted from his wife's social security benefit because it was said that her husband was on strike.

Many mineworkers in my constituency were made redundant during the early stages of the strike and received redundancy payments. However, the regional adjudication officer ruled that they could not claim unemployment benefit because they had been involved in the strike. There must be many similar cases in other mining constituencies. In another case, well before the strike began, a lad who was on strike won a scholarship to Sheffield university to read philosophy, politics and economics. At the beginning of the academic year in October he left the pit and the union and went to Sheffield university. He could not find a holiday job at Christmas, so he thought he would be entitled to unemployment benefit because his national insurance stamps had been paid. The adjudication officer refused his claim because, it was said, he was involved in the mining dispute. That was unbelievable. He was no longer a mineworker; he was studying for a degree at a state university.

In a letter dated 19 April 1985, from the Parliamentary Under-Secretary of State for Employment, I was told:

> "I should first explain that Section 19.1 of the Social Security Act 1975 prevents the payment of unemployment benefit where a person loses employment because of a stoppage of work due to a trade dispute at his place of employment. Unless a person can show that he is neither participating in nor has a direct interest in the dispute".

All the cases that I have mentioned fall into line with that letter. They have nothing whatever to do with the dispute. These men are not members of the NUM. According to the Social Security Act 1975, therefore, the adjudication officer's decision was wrong.

[Mr. Michael Welsh]

Some of the men in my area say that the adjudication officer acted as a tool of the Government during the strike. Because of some of his findings, the lads could not come to any other conclusion, I sympathise with them. I have twice asked the Ombudsman to look into the matter, but it is not in his remit. He has reluctantly had to refuse. The debate is the only way open to me to bring the issue to the notice of the Minister of Social Security. Is there any way in which he can help the people who have wrongly been refused unemployment benefit by the adjudication officer at Leeds?

1.46 am

Mr. Martin Redmond (Don Valley): I am grateful to my hon. Friend the Member for Doncaster, North (Mr. Welsh) and the Minister for allowing me to say a few words. I fully support what my hon. Friend has said.

Decisions taken by the adjudicator are repugnant and beyond the comprehension of anyone with a rational mind. They lack common sense and are contrary to natural justice. I do not believe that when the House passed the Social Security Act 1975 it thought that the legislation could support such decisions. I know about the Act and the amendments made to it in 1976 and 1980, and I have read section 19 of the Act.

I believe that the adjudicator is exceeding his remit and his terms of reference. His judgment that ex-employees are still employed by the coal board or connected with the dispute is wrong. The strike is over and either the decisions are daft or they indicate a rather sinister overtone.

In spite of the alleged independence of the adjudicator, the Government will stand condemned by the country. If there is no sinister involvement of Ministers, I look forward to the Minister for Social Security telling us what steps he intends to take to end the gross misuse of power by the adjudicator.

Men who were sacked by the NCB during and after the strike did not stand to gain anythig from the strike after they had been sacked. The break in service is a clear sign that when they were sacked the fight for jobs was over for them. The bail conditions that the judicial system imposed stopped them continuing to support the fight for jobs, even if they were inclined to do that. They had no connection with the dispute.

A constituent of mine left the industry after the strike was over and has been denied benefit. The correct decision in his case should have been the loss of benefit for six weeks, but he was classed as still being on strike. The stupidity of the adjudicator's decisions is shown by the fact that a miner who worked, say, at the Cadeby pit throughout the strike, but was sacked for a contravention of the Mines and Quarries Acts after the strike was over would be classed today as being involved in the dispute and both he and his family would be denied benefit.

During the strike the adjudicator took decisions which were implemented immediately throughout his area, but now that the strike is over he is making decisions on a week to week, bit by bit basis. I do not knnow how stupid a person can get, but the adjudicator is not God and the miners should have the right to appeal against his decisions. The Department, however, has stalled and effectively stopped appeals from taking place, thus denying people their rights under the law of the land. How any Minister can stand by and do nothing is beyond my comprehension.

The nudge and a wink brigade may have had something to do with this, but appeals lodged 12 months ago are still in the pipeline. That is disgusting and appalling. The system stinks and the stench from this malpractice must have reached the Minister by now. He may be an innocent party, but unless the adjudicator is called to account the Minister will stand to be condemned by association.

1.51 am

The Minister for Social Security (Mr. Tony Newton): I wish to say straightforwardly at the outset that I recognise the strength of the concern expressed by the hon. Members for Doncaster, North (Mr. Welsh) and for Don Valley (Mr. Redmond) in this debate and by a number of Members on both sides in recent months about some aspects of the application of the rules.

Clearly, I cannot respond in detail today to the exmplification cases——

Mr. Dennis Canavan (Falkirk, West): Why not?

Mr. Newton: The hon. Gentleman intervenes from a sedentary position on, somewhat unusually, the Opposition Front Bench, but I will answer his question. The reason is that I have not been given details of the particular names and cases, but I know that the hon. Members for Doncaster, North and for Don Valley understand that I will look into the details if they are given to me, especially the case of the student mentioned by the hon. Member for Doncaster, North. Having said that, I must emphasise that Ministers literally, genuinely and in good faith do not have power to override the decisions of adjudication officers, but I shall return to that later in my remarks.

This debate gives me the opportunity to set out again the framework of the legislation and the position in which both hon. Gentlemen and I as a Minister find ourselves in terms of the current legislation.

I will deal, first, with unemployment benefit. I remind the House—not in any partisan spirit but because it is important that this should be recognised — that the relevant legislation was introduced not by the present Administration, in the context of the miners' dispute or indeed of any other specific dispute, but by the Labour Government in the shape of section 19 of the Social Security Act 1975, which provides that a person who has lost employment as a result of a stoppage of work at his place of employment is disqualified from receiving unemployment benefit unless he can show that he is not participating in, or directly interested in, the trade dispute which caused the stoppage of work.

That means, or is held to mean, that the criteria for deciding benefit in those cases relate to four basic questions. First, is there an industrial dispute at the claimant's place of employment? Secondly, is there a stoppage of work at the claimant's place of employment? Thirdly, is the stoppage of work due to the industrial dispute? Fourthly, has the claiment lost employment as an employed earner as a result of the stoppage? However, if the claimant can show that he is not participating in, or directly interested in, the trade dispute that caused the stoppage, he escapes the disqualification.

The principle underlying those criteria is that public funds should not be used to finance strikes. There is

nothing new in that. It goes back a long way before the Social Security Act 1975 and has been accepted by all Governments. Those criteria have been part of the national insurance scheme since 1948. Even before that, similar considerations were a feature of unemployment insurance in a slightly different form from 1912 when unemployment insurance first started. Therefore, in one way or another we are talking about a modern version of principles that have been in social security legislation for very many years.

At this point I want to emphasise the central role in determining benefit claims that legislation gives to stoppage of work—that is, a significant interference with or hindrance of the normal operation of the employer's business activity. I shall return to that point later when I explain the criteria for lifting the disqualification for receiving benefit.

I now turn to supplementary benefit. Here, the legislation is very similar and is contained in section 8 of the Supplementary Benefits Act 1976—again introduced by a Government of a different complexion. Section 8(1) provides that where a person, by reason of a stoppage of work which is due to a trade dispute at his place of employment, is without employment for any period during the stoppage, his requirements for that period are disregarded for the purposes of supplementary benefit, except so far as those requirements include the requirements of another person which are treated as his. In other words, benefit is not payable in respect of the striker himself—only for his wife and family. As in the case of unemployment benefit, a person who proves that he is not participating in or directly interested in the trade dispute which caused the stoppage of work, escapes disqualification.

Section 19 of the Social Security Act 1975, to which both hon. Gentlemen fairly referred, also provides that a claimant who, during a stoppage of work at his place of employment, takes up bona fide employment in his normal occupation elsewhere, or becomes regularly employed in another occupation, removes himself from the disqualification. Otherwise, the disqualification remains in effect until the end of the stoppage of work at the claimant's place of employment.

At this point I must re-emphasise what I said at the outset about the position of adjudication officers.

Mr. Redmond: What about appeals?

Mr. Newton: I shall come to that point.

I am aware that some scepticism has been expressed. Without reference to any specific issue, I think that I can fairly say that Ministers find themselves occasionally frustrated. I might carry you, in a former incarnation, Mr. Deputy Speaker, with me on that. We are sometimes frustrated by the views that adjudication officers reach, acting quite properly within their responsibilities. In their private moments, Ministers think that it would be quite nice if they had the power to overrule adjudication officers. The fact is that they do not.

I hope that hon. Members accept that in this matter, as in others, there has been no question of Ministers leaning on adjudication officers and that they do not have the power to override them. Indeed, it would be quite improper if they had the opportunity to do so. It is always open to Parliament to ask Ministers to change the regulations, but that is a quite separate matter from seeking to override the decisions of adjudication officers within the existing legislation.

Mr. Kevin Barron (Rother Valley): At the end of the miners' strike, people who had been dismissed were being denied supplementary benefit as they were deemed to be still on strike whereas those who had returned to work and those who did not have the prospect of any income were in a position to receive full supplementary benefit. Why did that happen?

Mr. Newton: I could not comment sensibly on that without the details of individual cases. The decisions will have been taken by adjudication officers in the way that I have described, which is by interpreting the regulations. I want to emphasise that strongly because I am aware of the scepticism in some quarters.

In making decisions on supplementary benefit, the adjudication officer has to take account of any decision concerning the trade dispute which has been made for unemployment benefit purposes, otherwise there might be inconsistency. If a decision about the unemployment benefit position has not yet been taken, or an appeal is pending, any supplementary benefit claim has to be dealt with meanwhile on the assumption that the decision will be adverse. As I have emphasised, Ministers have no powers to intervene in these decisions, and there is no question of our seeking to use the social security system to penalise miners, ex-miners or any other strikers. The whole point of having an independent adjudicating system is that it should be even-handed between all categories of claimant to benefit.

The hon. Member for Don Valley spoke about appeals. I should be disturbed if I thought that appeals were being delayed deliberately or deliberately not processed for any reason. Undoubtedly there can be delays, and there are delays in the appeal machinery quite apart from the miners' dispute. That is something that we have been seeking to tackle by reforms in the adjudicating system, which were implemented under the Health and Social Services and Social Security Adjudications Act. The reforms included the creation of a more independent status for the adjudication machinery and a president of the tribunals, who is now Judge Byrt, in place of the previous arrangements, which gave the impression that they were controlled more directly by the Secretary of State for Social Services. I shall draw to Judge Byrt's attention the comments of the hon. Member for Don Valley. It will be for the president to examine them because we have created greater independence for the adjudication machinery. I am sure that Judge Byrt, like myself, will be disturbed by the comments that have been made. If the hon. Gentleman cares to give me the details, I shall pass them on. Alternatively, he may wish himself to draw the suggestions directly to the attention of Judge Byrt as president of the social security appeal tribunal machinery.

I recognise that the industrial disputes legislation has given rise to a number of difficulties in interpretation, and I am aware of the concern that has been expressed about cases where benefit is still being refused even though there has been a general return to work in the coal mining industry following the decision of the National Union of Mineworkers on 5 March 1985. This is because, as I have explained earlier, the effect of section 19 of the Social

[Mr. Newton]

Security Act 1975 is to link the lifting of the trade dispute disqualification to the ending of the stoppage of work at the individual claimant's place of employment.

The traditional authority for determining when a stoppage of work ends is the social security commissioners' decision R(U)25 of 1957, which states:

"a stoppage of work may come to an end without any settlement of the dispute, by the workers returning to work in a body, or by driblets, or by their places being taken by other men. In such cases the stoppage of work comes to an end when the employers have got all the workers they require, that is, when work is no longer being stopped or hindered by the refusal of workers to work on the employers' terms or the refusal of employers to employ the workers on the workers' terms. It may be that the employers cannot at one re-employ all the workers who are willing to work because the work has to be reorganised, or because repairs necessitated by the stoppage of work have not been completed. But when work is again proceeding normally and is not being held up, either by the men holding back or by circumstances directly resulting from the stoppage of work, the stoppage of work is at an end."

As I have explained, this test of a resumption of normal working must be applied to each individual claimant's place of employment. That picks up a point raised by the hon. Member for Rother Valley. I am sure that hon. Members will accept that applying it to the numerous and widespread places of employment in the coal industry, where the circumstances vary from colliery to colliery, has presented the adjudication authorities with formidable problems, including obtaining the relevant facts from the employer.

The recent dispute, which was of unprecedented length, has required the adjudicating authorities to apply the statute law in circumstances not met before, and they have had to follow case law which was decided in different circumstances, although close enough to make it binding now. Hon. Members may recall the Adjournment debate on 14 January initiated by the hon. Member for Pontefract and Castleford (Mr. Lofthouse), when the House discussed the payment of benefit to redundant mineworkers, which has also been mentioned this evening. On that occasion, my hon. Friend the Under-Secretary of State explained that several cases were being referred by the chief adjudication officer to the social security commissioners. The hearing of one case by a tribunal of commissioners took place on 16 and 17 April, and it is expected that its decision, which is due shortly, will provide further guidance on the position of persons to whom the trade dispute qualification applied, but who were made redundant before the stoppage ended, and also as to the principles to be applied in determining when a stoppage of work ends.

We shall, of course, examine closely the outcome of the social security commissioners' decisions on all the cases going before them, and give careful consideration to whether they reveal any need — this answers the intervention of the hon. Member for Falkirk, West (Mr. Canavan)—for legislative change. But, as I come to the end of my speech, I remind the House once again that we are talking about legislation which is based on principles and criteria that go back to 1912 and which have, for half a century and more, been accepted by previous Administrations of all political colours.

Therefore, I hope that hon. Members will recognise the difficulty in which I am placed in commenting on individual cases and the difficulty that the proper independence of the adjudicating authorities creates for any Minister in this position. I have offered to examine matters that hon. Members bring to my attention, against the background that I described. I shall draw to the attention of the president of tribunals the remarks which the hon. Member for Don Valley made about appeals. I hope that they can be assured, with all the good faith at my command, that I recognise their anxiety and am grateful to them for the opportunity to place those points on record again. The debate has given them the opportunity to do the good job which I know they always do on behalf of their constituents in bringing such matters before the House. I can well appreciate the pressures on them and the concern that is felt in their constituencies——

The Question having been proposed after Ten o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at eight minutes past Two o'clock.

House of Commons

Thursday 2 May 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

FELIXSTOWE DOCK AND RAILWAY BILL *(By Order)*

Order for Second Reading read.

To be read a Second time upon Monday 13 May at 7 o'clock.

Mr. Speaker: As the other three Bills on the Order Paper are the subject of blocking motions, with the leave of the House I shall deal with them together.

GREATER LONDON COUNCIL (GENERAL POWERS) BILL *(By Order)*

LINCOLN CITY COUNCIL BILL *(By Order)*

YORKSHIRE WATER AUTHORITY BILL *(By Order)*

Orders for Second Reading read.

To be read a Second time upon Thursday 9 May.

Oral Answers to Questions

HOME DEPARTMENT

Immigration Clearance

1. **Mr. Torney** asked the Secretary of State for the Home Department if he has any proposals to reduce the waiting times before first interview for application for entry clearance in the Indian subcontinent, particularly in Dhaka.

11. **Mr. James Lamond** asked the Secretary of State for the Home Department what recent representations he has received about the length of time an applicant for an entry permit to the United Kingdom has to wait for an interview in Bangladesh, India and Pakistan.

The Minister of State, Home Office (Mr. David Waddington): Since the beginning of the year, I have received delegations from two organisations, and received one letter, specifically about delays in dealing with entry clearance applications in the Indian subcontinent, but the matter has been mentioned by a number of other organisations and individuals in discussions and correspondence about immigration control generally.

We have increased the number of entry clearance officers at Dhaka and our immigration section there is already the largest of any of our posts overseas. My right hon. and learned Friend the Foreign Secretary is taking steps to ensure that the most effective use is made of these resources.

Mr. Torney: Is the Minister aware that the annual number of applications processed has declined considerably? Is he aware that the productivity of entry clearance officers in the subcontinent has decreased by 36 per cent. per officer? What will the hon. and learned Gentleman do about that? Is the decrease due to the complexity of the rules that have been made by this Government? Will the hon. and learned Gentleman make a statement?

Mr. Waddington: The present rules governing the admission of wives and children are exactly the same as the rules that obtained under the Labour Government. The point that I was seeking to make was that there are now more entry clearance officers in Dhaka than there were at the time of the Labour Government. We realise that this is a serious situation, and we are doing our best to relieve it. Two years ago we increased the number of entry clearance officers. As a result, there have been two extra entry clearance officers at Dhaka for the past two winters. Steps are being taken to keep staffing levels at full effective strength, with five additional postings for six months each being made to cover staff leave and so on. In addition, first-time applicants are to be given a measure of priority over those who have previously applied and been refused permission.

Mr. Lamond: I am sure the Minister will agree that it is to no one's advantage to have such lengthy waiting times before interviews are conducted. In some cases, 22 months pass before the first interview is conducted to decide whether a man's wife and children can join him in this country. Cannot extra efforts be made, especially in Dhaka where the waiting time seems to be longest, to make a big clearance of the queue once and for all so that applicants may be dealt with more humanely?

Mr. Waddington: It is important to give priority to first-time applicants. One of the difficulties in Dhaka is that many people, having had their applications refused and appeals turned down, apply repeatedly. That is very much to the disadvantage of people who, having been here for two or three years, decide to call for their wives and children. We must put this matter into perspective. A comparison of present waiting times with waiting times under the Labour Government shows that we certainly have nothing of which to be ashamed. The waiting time in Bombay was 12½ months in 1979; it is now only six months. The waiting time in Islamabad was 19½ months in 1979; it is now 10¼ months. The waiting time in Delhi is now precisely the same as in 1979. The waiting time in Dhaka was 22 months in 1979; it is now 23 months. Those are not grounds for indicting the Government.

Sir John Farr: I listened with interest to what my hon. and learned Friend said. Is he aware that any reduction in the waiting list abroad would only mean an increase in the number of unemployed people in Britain, in particular in Leicester and Bradford? Will he reconsider his policy, which is negative and undesirable?

Mr. Waddington: We must apply the rules. Our entry clearance officers have to ensure that there is no evasion, but equally that people receive their entitlement. I cannot go along with my hon. Friend if he is saying that we should now alter the approach which has been adopted by successive Governments over the years and deny to a man who has settled here the right to bring in his wife and children. But my hon. Friend is correct to draw to the

attention of the House the difficult social problems involved. I assure the House that if those queues were to be removed tomorrow, we should face enormous problems with regard to schools, social services and hospitals, for example, in Tower Hamlets. A high percentage of the people in those queues would go to our inner city areas. However, that does not mean that we shall alter the policy which gives to the people settled here the right to bring in their wives and children.

Mr. Meadowcroft: Is not one of the significant causes of the delay the Government's excessive zeal in finding reasons not to admit people—in particular, the primary purposes regulations which prevent from entering people who otherwise would legitimately be able to join their families?

Mr. Waddington: I am pleased that the hon. Gentleman mentioned that point. We are often told that we are now applying more oppressive control than was the case under Labour. That is a load of old nonsense. The highest refusal rate of families in Dhaka occured in 1977 under the Labour Government, when it was over 60 per cent. The refusal rate in Dhaka last year was only 50 per cent. I remind the hon. Gentleman that since the introduction of the 1983 rules, the failure rate for husbands and fiances has decreased.

Mr. Madden: Do not confidential papers, recently leaked, show that the Home Office is using administrative means deliberately to stop people with a clear legal right to enter this country from doing so? Will he take the opportunity of next Thursday's debate on the Commission for Racial Equality to apologise to the commission for his premature criticism of its immigration control policy, and announce that there will be a substantial increase in entry clearance officers on the Indian subcontinent so that the queues of people, predominantly families, can exercise their legal right to enter this country to join their husbands?

Mr. Waddington: I was content that there should be a debate on immigration next Thursday, but I understand that the Opposition chose otherwise.

Hon. Members: No.

Mr. Kaufman: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I shall take points of order after Question Time.

Mr. Waddington: If I am wrong, I withdraw the remark. I am entitled to make the point that on three separate days I and the Home Office have been happy to have a debate on immigration, but for some reason that has not been satisfactory to the Front Benches of the two—[HON. MEMBERS: "No."]—I am not having it said that we are ducking a debate.

Mr. Kaufman *rose*——

Mr. Speaker: Order. This question has gone on for a long time. I know that it is of great interest to the House, but we should have the answer without an argument about a debate.

Mr. Waddington: My trouble, Mr. Speaker, is that I have forgotten what the question was.

Mr. Speaker: In that case, we might move on.

Mr. Spencer: Does my hon. and learned Friend accept that the figures that he has just quoted show that in no way are those entitled to come to this country being unjustly inhibited? Does he also accept that the enterprise of the Asian community in Leicester contributes to employment, not unemployment?

Mr. Waddington: I am grateful to my hon. and learned Friend for what he has said. No impartial and reasonable person looking at the figures that I have mentioned today could for a moment say that the Government are failing in their duty. The very important matter raised by the hon. Member for Bradford, West (Mr. Madden) has a bearing on my hon. and learned Friend's point. The briefing paper that appeared in *The Guardian* was used by the journalist to suggest that queues were being used deliberately to limit immigration. Queues exist—and they existed under the Labour Government—because the number of people applying to come here exceeds the capacity of the resources available to deal with them. That was the case under the Labour Government and it remains the case today.

Mr. Dubs: We want the debate on the Commission for Racial Equality report. It was certainly not at the request of the Opposition Front Bench that there should be a further delay in having that debate.

The Minister's answers to the question at issue, today and on previous occasions, suggest a deficiency on his part as regards both statistics and humanity. There is serious doubt about the figures that he has quoted today. Last year, 1984, was the first year when the number of applications processed for entry were fewer than the numbers received. Is that not a sign that the Minister is using bureaucratic methods to increase the delays?

Mr. Waddington: If the hon. Gentleman were right, we would not be sending an extra entry clearance officer to Dhaka and we would not have sent two extra officers for the past two winters, and my right hon. and learned Friend the Foreign Secretary would not be making sure that extra staff go to Dhaka this year to see that there is no shortage of entry clearance officers as a result of leave or sickness. If the hon. Gentleman doubts my statistics, perhaps he will challenge me and say where I am wrong.

Mr. Nicholas Winterton: On a point of order, Mr. Speaker.

Mr. Speaker: Later. We are well behind time.

Drug Trafficking (Seizure of Assets)

2. **Mr. Greg Knight** asked the Secretary of State for the Home Department if he will introduce legislation to provide for the seizure and confiscation of assets acquired through drug trafficking.

The Secretary of State for the Home Department (Mr. Leon Brittan): I intend to seek an opportunity for legislation of this kind during the life of this Parliament.

Mr. Knight: I welcome that brief reply. Does my right hon. and learned Friend accept that the current law is unsatisfactory and that urgent action is needed? Is he aware that those who traffick in drugs are prepared to destroy the careers and lives of their fellow human beings in order to make vast fortunes? Is there not a case for doing something radical — for giving the police immediate powers of seizure before conviction, and for shifting the burden of proof so that, in order to avoid forfeiture, drug dealers have to prove that they obtained their assets by legitimate means?

Mr. Brittan: There is a case for doing all those things. We are considering the matter urgently. It is necessary to take action in this area, and we shall do so. The existing powers are inadequate, but it is important that the courts should not feel that they should not be used so far as they go. Although they need to be supplemented, they are quite considerable.

Rev. Martin Smyth: I welcome the right hon. and learned Gentleman's statement about the powers. Will he assure the House that any Bill will extend the powers to Northern Ireland?

Mr. Brittan: I will certainly consider that point.

Mr. Sackville: Are not the major drug traffickers perhaps the most evil and potentially dangerous of all criminals? Does my right hon. and learned Friend agree that this legislation is perhaps the most important single action that his Department can take to combat them and that the sooner it is on the statute book the better?

Mr. Brittan: I would agree with that. However, other action can be and is being taken. I congratulate my hon. Friend the Member for Delyn (Mr. Raffan) on successfully piloting through the House his Bill to enact the Government's pledge to increase the maximum penalty for trafficking in serious drugs to life imprisonment. The support given to that Bill shows how seriously we treat the matter.

Mr. Sheerman: The Home Secretary might be aware that the Conservative candidate who opposed me at the 1979 general election was later locked up as a drug trafficker and was well known to have a great fortune in Switzerland, which then could not be touched. Is he aware that this is important legislation, but that it is scraping at the symptoms rather than the cause of the growth of drug use by young people, which is lack of opportunity and work?

Mr. Brittan: The seriousness of the hon. Gentleman's interest in this matter is rendered suspect by his wholly unnecessary opening remarks.

Mr. Ashby: Does my right hon. and learned Friend agree that drug traffickers should be subject to criminal bankruptcy? Does he also agree that the figures of those who are not subject to criminal bankruptcy are far too high at the moment? Is he aware that many people who should properly be subject to criminal bankruptcy are escaping, and that their numbers should be halved?

Mr. Brittan: The arrangements for criminal bankruptcy are not a satisfactory solution to the problem. We must act, and the suggestions in the Hodgson report must be considered. We are considering the matter urgently. I accept my hon. Friend's support for the urgency with which we are approaching legislation on this subject.

Mr. Kilroy-Silk: As drug addiction, especially heroin addiction, has risen by more than 400 per cent. since the right hon. and learned Gentleman came to office, when will he stop the Parliamentary Under-Secretary of State for the Home Department gallivanting all over the country and the world making gestures and tell him to start doing something effective? What will be the Government's response to the demand by the chief constable of Preston yesterday that he can deal with the problem only if he has more men, resources, and equipment?

Mr. Brittan: If the hon. Gentleman is so insular as to think that a study of what is going on in other countries, such as the United States, which has had the problem longer and is experiencing it more seriously, will contribute nothing to our handling of the problem, his consideration of the subject is unworthy of him. My hon. Friend the Parliamentary Under-Secretary of State has engaged in a constructive visit to the United States, where he has seen the problems and the solutions to them. The problem must be tackled comprehensively. It is being tackled more comprehensively through legislation such as I mentioned earlier, by tackling the entry of drugs to Britain, by providing treatment and by publicity. Those approaches are more than anything that has been done by any previous Government, and my hon. Friend has spearheaded that comprehensive approach.

Elections (Proportional Representation)

4. **Mr. Alex Carlile** asked the Secretary of State for the Home Department if he will seek to introduce proportional representation for local government elections.

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): No, Sir.

Mr. Carlile: Why, on this day of county council elections, are the Government afraid of facing local government elections by fair and democratic means? Does the Minister agree that the likely result of the elections is that yet more issues will be decided by caucus rather than by democratic debate?

Mr. Mellor: As a non sequitur, the hon. and learned Gentleman's latter assertion takes a great deal of beating. The epitome of caucus politics is a hung council — politicians having to get together to sort out what policy will be, rather than electors doing so.

Mr. Squire: Does my hon. and personal Friend agree none the less accept that there are already more than 30 local authorities with no overall control and a possibility that that number might increase in the next 24 hours? Does he further agree that it makes slightly more sense to have local authorities which are broadly proportionate to the votes cast rather than made up according to arithmetical accident?

Mr. Mellor: The trouble with the approach that my hon. and personal Friend advances is that the Bill, which has been introduced in another place and which would do what he required, would provide electoral districts for local authorities of between four and nine members — hardly an additional ornament to local democracy — and give councils power to adjust their boundaries. That is an invitation to the sort of malpractice that might go on in other jurisdictions, but which has never been allowed to go on here.

Mr. Beggs: Does the hon. Gentleman accept that we in Northern Ireland have experience of proportional representation and that we do not commend it? Will he accept our advice that the Government should persist in their view not to introduce it into Great Britain and that they should definitely reconsider its application to Northern Ireland?

Mr. Mellor: I shall not be tempted into folly and comment on the last question, not even today. However, I obviously welcome advice from the hon. Gentleman, and I shall consider it.

Mr. Haynes: Does my hon. Friend agree that the introduction of proportional representation will in no way prevent ugly and loutish scenes such as those organised by the hard Left in Southwark town hall last night?

Mr. Mellor: I thoroughly agree.

Soccer Grounds (Policing)

7. **Mr. Tony Banks** asked the Secretary of State for the Home Department what discussions he has had with the Commissioner of Police of the Metropolis about policing methods inside London Football League club grounds.

Mr. Brittan: I have had no recent discussion personally with the Commissioner on this subject, but my Department keeps in close contact with the Metropolitan police about football violence, and ways of tackling it.

Mr. Banks: Will the Home Secretary consider the proposal that I made in an Adjournment debate on 19 April about setting up football community policing teams, because clearly somewhat more specialised attention is required by the Metropolitan police to the problems of crowd violence inside London league clubs?

Secondly, will the right hon. and learned Gentleman take the opportunity to discuss with the Commissioner the possibility of transferring the cost of policing from football clubs to the public purse? Chelsea, for example, has paid about £127,000 this year in policing charges. That money could have been more usefully spent on ground improvements for the benefit of the supporters, and, I hope, reducing football hooliganism.

Mr. Brittan: It is best that football grounds are policed by local officers with reinforcements, if necessary, rather than by specialist squads.

Regarding the hon. Gentleman's second point, if a football club organises a match and requires policing inside the ground, as opposed to outside, because of the risk of trouble, it is reasonable that it should pay for the cost of that policing.

Mr. Dickens: Is my right hon. and learned Friend aware that in the north of England video surveillance and recordings of visiting supporters have led to custodial sentences for those who have committed misdemeanours at football matches? Does he agree that people, such as Ken Bates of the Chelsea football club, should be supported, not discouraged by stupid planning regulations, in their desire to control hooliganism?

Mr. Brittan: We all share the desire to control football hooliganism. My hon. Friend makes a good point about video pictures. The Home Office is experimenting with a van which can take good quality still and video pictures outside and inside grounds. That van is intended to assist in crowd control and to gather evidence for use in court proceedings. The use of such a facility is an important contribution to the problem.

Mr. Kaufman: Is it not a fact that since the Prime Minister's headline hunting caused her to stick her meddling fingers into this issue, there has been nothing but ill feeling and confusion? Now that she has suddenly taken an interest in football hooliganism and football, will she abandon her boycott of the Cup Final, attend it again, and take the opportunity to watch Manchester United win the cup?

Mr. Brittan: There are not many matters about which I would take lessons from the right hon. Gentleman, but the pursuit of headline hunting may be one. His remarks about my right hon. Friend the Prime Minister are singularly inapposite. I am sure that my right hon. Friend will note with interest the right hon. Gentleman's invitation to her to attend the Cup Final.

Animal Welfare

8. **Mr. Hirst** asked the Secretary of State for the Home Department what representations he has received recently from animal welfare groups in Glasgow; and if he will make a statement.

Mr. Mellor: I have received two letters from the Scottish Anti-Vivisection Society concerning the University of Glasgow's connection with brain-damage research performed at the University of Pennsylvania.

Mr. Hirst: Is my hon. Friend aware that there is considerable anxiety in the west of Scotland about the unbelievably cruel experiments on live monkeys which are carried out at the University of Pennsylvania, following which further research on their scrambled brains is undertaken at the University of Glasgow? Is he further aware that one of the professors engaged in that research has said that in eight years of research no use has been made of the experimental results for the benefits of humans? Does my hon. Friend share my anxiety about those experiments, and does he believe that it is an adequate response to say that those experiments would not be allowed in the United Kingdom?

Mr. Mellor: A distinction must be drawn between what is happening at the University of Pennsylvania and at the University of Glasgow. I saw the deeply distressing video of what has gone on at the University of Pennsylvania, and it appears that animals that may not have been anaesthetised at the time were subjected to brain damage. The conduct of those experiments by some of the researchers left a very great deal to be desired. That conduct would not be permitted in the United Kingdom, and nor would the imposition of those injuries, without an anaesthetic, be permitted in the United Kingdom. The work of the University of Glasgow is confined to research on tissues that have been removed from the dead monkeys. That work is not subject to control under the 1876 Act, because that Act deals with vivisection and experiments on live animals, and does not deal with the use of dead tissues.

Metropolitan Police

9. **Mr. Squire** asked the Secretary of State for the Home Department whether he is satisfied with manpower levels within the Metropolitan police.

Mr. Brittan: On 31 March the strength of the Metropolitan police was 26,751, and the strength of the civil staff was 12,939. These are increases of over 4,500 and 1,300 respectively since May 1979. It is the

Commissioner's objective, which I fully support, to ensure that the very considerable manpower at his disposal is used as effectively, efficiently and economically as possible.

Mr. Squire: Although I greatly welcome those figures for increased manpower since 1979, does not my right hon. and learned Friend accept that the increased duties of the Metropolitan police and the continuing level of crime combine to require a substantially greater establishment? Will he devote some of his considerable energy to pressing for such an increase in due course?

Mr. Brittan: There has been an increase in the Metropolitan police establishment from 1 April 1985. We shall need to keep the position under review as the reorganisation of the force proceeds. That reorganisation, of course, is of considerable importance, as I believe that it will lead to a more effective use of manpower.

Mr. John Fraser: Is the Home Secretary aware that crime levels in London's inner city areas are running at more than twice the national average and that the deployment of police in London is not directly related to them? Will he ask the Commissioner to concentrate resources permanently — not temporarily, as with the special patrol group — on areas that have very high rates of crime, which could do with good permanent police officers on the streets?

Mr. Brittan: I am sure the hon. Gentleman will accept that the Commissioner will have that priority very much at the forefront of his mind.

Mr. Jessel: Can my right hon. and learned Friend say what effect there would be on the manpower requirements of the Metropolitan police if a fifth terminal were built at Heathrow, with the ensuing appalling traffic jams in west London?

Mr. Brittan: Not without notice.

Coalfield Communities (Policing)

10. **Mr. Maclennan** asked the Secretary of State for the Home Department what discussions he has had with chief officers of police about policing problems since the ending of the coal miners' strike.

Mr. Brittan: I continue to keep in touch with chief officers about the policing of areas which were affected by disorder during the miners' strike.

Mr. Maclennan: Does the Home Secretary intend to consider the lessons that can be drawn from the policing of the miners' strike and the great variety of operational practices found among the different police forces? Does he plan to give the House the benefit of his views on that subject before he publishes his paper on public order?

Mr. Brittan: That will not be possible, because I hope to publish my paper on public order very soon. The examination of the operational lessons to be learnt from the strike is being continued by the Association of Chief Police Officers, and it will not be completed within that time scale.

Mr. Eastham: When the Home Secretary discusses the miners' strike with chief constables, will he make it his business to hold in-depth talks on the mountainous cost of policing that strike? That cost is a terrific burden for ratepayers, and rate-capped authorities consequently find themselves in great financial difficulty. What does the Home Secretary intend to do about that?

Mr. Brittan: The Home Secretary is not going to do anything about it, because he has done something about it. He has announced enormous assistance to police authorities which have had to incur costs on an unprecedented scale. During the strike I announced a series of measures which have cumulatively led to enormous help being given to those authorities which have had to incur that burden.

Mrs. Clwyd: Why is it taking so long to investigate complaints against the police? I made a complaint in December 1984 and that investigation has still not been completed.

Mr. Brittan: The length of time depends on the complexity of the issues that have to be looked into. However, if the hon. Lady feels that there has been an undue delay, I should be happy to look into her case.

Mr. Merlyn Rees: Can the Home Secretary be more explicit about the date of publication of the White Paper? The Prime Minister said in November 1984 that it would be published before the end of the year. The right hon. and learned Gentleman has just said, I think, that it is to be published in the next few weeks. Does he mean that?

Mr. Brittan: It will be published before the end of this month.

Sunday Trading

12. **Mr. Stanbrook** asked the Secretary of State for the Home Department if he will make a further statement on Sunday trading.

Mr. Mellor: The House will have the opportunity to debate the Auld report in the very near future and my right hon. and learned Friend will take that opportunity to make a statement on the Government's intentions.

Mr. Stanbrook: Is my hon. Friend aware that a strong case can be made for eliminating the anomalies of the present Sunday trading laws, but that a general relaxation would be disastrous for the cherished way of life of this country? A previous attempt to abolish restrictions was decisively rejected by the House on a free vote. The Government have no mandate for acting in the way that is apparently proposed. Should not Sunday be allowed to remain a day for rest, recreation and religion?

Mr. Mellor: That depends upon one's definition of rest and recreation. For some people it might involve a little quiet shopping. My hon. Friend will have the opportunity to develop his views, as will other hon. Members, during the debate that is soon to take place.

Mr. Torney: Before the Minister makes his statement, will he consider the fact that to abolish completely the Shops Act would cause very considerable hardship to shop workers? Is he aware that they would have no defence whatever against the unscrupulous employer, because of the abolition by the Government of the wages council? Will he also take into account the tremendous offence that abolition would cause to many hundreds of thousands of religious people throughout the country?

Mr. Mellor: To hear the hon. Gentleman ask his question one would think that nothing had changed since

the days of Mr. Polly. In putting forward the views of the Union of Shop Distributive and Allied Workers, the hon. Gentleman has revealed only too clearly why that union commands the support of only 15 per cent. of those who work in the retail sector.

Sir William Clark: Does my hon. Friend agree that if Sunday trading were to be allowed, it would add to the employment prospects of very many people?

Mr. Mellor: I have every reason to believe that that would be the case.

Mr. Key: Will my hon. Friend accept that there is a sense of steamrollering about this issue and that opinions throughout the country vary from total apathy among chambers of commerce to downright opposition among the silent majority?

Mr. Mellor: It is two and a half years since the matter was last debated on the Floor of the House. Every speaker, whether for or against Sunday trading, said that the Shops Acts were in need of amendment. The Government then set up a committee which took almost a year to reach its conclusions. The committee's report was published over six months ago and we are now moving towards a debate on the report. It is interesting that "steamrollering" should be thought to embrace all of that.

Mr. Nellist: Does the Minister not recognise that when his Tory friends brush aside the comments of my hon. Friend the Member for Bradford, South (Mr. Torney) about the conditions for shop workers being made worse should full Sunday trading be authorised, he ought also to recognise that for many shop workers Sunday is the only family day that they have together, since six-day trading already takes place in many of our major cities? If full Sunday trading were to be authorised, conditions for hundreds of thousands of shop workers, not least their wages, would be destroyed.

Mr. Mellor: Again there is an air of unreality about the hon. Gentleman's question, but no doubt we shall have the pleasure of hearing from him at even greater length when the matter is fully debated.

Mr. Nicholas Winterton: Will my hon. Friend accept that this matter must be decided on a free vote and that very strong views are held about it by many Conservative Members? They believe that all the advantages do not lie in the abolition of the Shops Acts and all their provisions, that Sunday is a day for the family and for corporate worship and that to abolish the Shops Acts would play into the hands of the large retailer, the supermarket and hypermarket, while small businesses—the butcher and the other traders who are a traditional part of this country—would suffer gravely.

Mr. Mellor: I hear what my hon. Friend says. The terms on which any proposal might be put before the House is not a matter for me but for my right hon. Friend the Leader of the House, who is in his place.

Violent Crime

13. **Mr. Favell** asked the Secretary of State for the Home Department whether he will make a statement on offences of violence against the elderly.

Mr. Mellor: Crimes of violence are particularly abhorrent when they are perpetrated against the most vulnerable members of society. Though recent research has shown that elderly people are the least likely to be the victims of violent crime, attacks on the elderly quite rightly attract special concern and the courts have power to impose appropriately severe sentences in the most serious cases.

Mr. Favell: May I draw my hon. Friend's attention to the fact that there have been a number of sickening attacks on the elderly in Stockport recently, often in furtherance of theft? Does he agree that such attacks cannot be tolerated and that, in order to deter others, courts should be encouraged to give long sentences of imprisonment to anybody engaging in that kind of crime, whether or not he is a first offender?

Mr. Mellor: The courts have the power to do just that and there is a strong and compelling case for doing so.

Mr. Holt: Does my hon. Friend accept that a narrow statement on crimes of violence against the elderly is insufficient for the House and that he should be pressing for a full debate on the whole spectrum of law and order, sentencing policy and everything else that goes with it?

Mr. Mellor: My right hon. and learned Friend the Home Secretary and I would be only too pleased to participate in such a debate. We have a good story to tell on those matters.

Juveniles (Reconviction Rates)

14. **Mr. Barron** asked the Secretary of State for the Home Department what are the latest reconviction rates for juveniles attending detention centres.

Mr. Mellor: About 70 per cent. of juveniles discharged from detention centres in England and Wales in 1980 were reconvicted within two years.

Mr. Barron: Does that not show that the philosophy behind the Government's thinking in relation to juveniles who do wrong is not working? Would it not be a lot better if the Government concentrated on giving juveniles real jobs in society so that they felt that they were playing a more valid role, instead of leaving them to roam the streets and end up in detention centres?

Mr. Mellor: Those cheap and tendentious observations are somewhat undermined by the fact that in each of the years of the Labour Government the reconviction rates were higher than those I have just given.

Mr. Alex Carlile: Given the lack of success of the detention centres, does the Minister agree that it is time that statutory funding was provided for intermediate treatment for juveniles throughout Britain, bearing in mind the evidence of success of such schemes?

Mr. Mellor: The hon. and learned Gentleman will know that we are attracted to intermediate schemes and that the Department of Health and Social Security has recently put some £15 million into developing intermediate treatment facilities throughout Britain.

Car Milometers

15. **Mr. Greenway** asked the Secretary of State for the Home Department what information is available to the Metropolitan police as to the incidence of zeroing of car milometers; and if he will make a statement.

The Minister of State, Home Office (Mr. Giles Shaw): It is Metropolitan police practice to refer members of the public who complain about misleading odometer readings on secondhand cars to the local trading standards officer and no central records on zeroing are therefore maintained by the Commissioner of Police of the Metropolis.

Mr. Greenway: Will my hon. Friend accept that the zeroing of car milometers is massive, widespread and the biggest rip-off in London and beyond, and is in need of Government attention? Will his Department initiate immediate research with a view to establishing tamper-proof milometers that cannot be abused in that way?

Mr. Shaw: My hon. Friend will understand that that is a matter not for my right hon. and learned Friend the Home Secretary or myself but for my right hon. Friend the Secretary of State for Trade and Industry. He will be aware that that matter was dealt with in reply to a question asked by my hon. Friend the Member for Birmingham, Northfield (Mr. King), who was told that there were no plans at present to introduce such legislation.

Government Purchasing

16. **Mr. Thurnham** asked the Secretary of State for the Home Department what measures he proposes following the conclusions of the recent report by the Management and Personnel Office on Government purchasing.

Mr. Brittan: My Department has prepared a programme of action in response to the report with the aim of improving value for money in Home Office purchasing.

Mr. Thurnham: Will my right hon. and learned Friend do all in his power to encourage small firms to play their part in achieving the hoped-for savings of £400 million per annum?

Mr. Brittan: I appreciate the need to do that. The report itself made no specific recommendation about small firms, but it mentioned the need to improve information and to simplify procedures for small firms. We shall have that in mind as we carry forward our response to the report.

Long-term Prison System

22. **Sir John Farr** asked the Secretary of State for the Home Department when he expects to reach a conclusion on the managing of the long-term prison system.

Mr. Mellor: My right hon. and learned Friend intends to make a statement within the next few months on our progress in implementing the report of the control review committee on the long-term prison system.

Sir John Farr: Can my hon. Friend assure me that, when the Home Secretary makes that response, he will bear in mind the fact that the analysis which was drawn up by the working party was largely based on the American prison experience and that much of the report's conclusion is unsound because it is based on that system, which has armed warders?

Mr. Mellor: I am afraid that I cannot accept my hon. Friend's assertion that the report is based, to anything like the degree that he suggested, on American experience. I shall ensure that my right hon. and learned Friend, who has heard my hon. Friend's question, will bear in mind that point before announcing his conclusions.

Immigration Officers (Unofficial Guidance)

23. **Mr. Pike** asked the Secretary of State for the Home Department what measures he has taken to ensure that unofficial guidance circulars to immigration officers are withdrawn.

Mr. Waddington: Guidance circulars issued locally in respect to types of passenger likely to arrive at particular ports are being reviewed. Where such guidance is necessary in future it will be issued from immigration service headquarters.

Mr. Pike: I thank the Minister for that reply. Will he give an assurance that when the guidelines are issued they will be made public so that everyone is aware of what guidelines exist and so that there is no doubt, ambiguity or false accusations?

Mr. Waddington: My right hon. and learned Friend said in a speech recently that the question of publication of the instructions to immigration officers is under consideration.

PRIME MINISTER

Engagements

Q1. **Mr. Sumberg** asked the Prime Minister if she will list her official engagements for Thursday 2 May.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): I have been asked to reply.

My right hon. Friend this morning presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. My right hon. Friend is now in Bonn for the economic summit.

Mr. Sumberg: Has my right hon. Friend seen the reports of the disgraceful scenes at Southwark council last night, when Labour councillors not only disrupted the meeting but attacked television cameramen and damaged their equipment? Will he join me in inviting his Opposition counterpart to condemn that behaviour? Does he not think that it is a salutatory example today of the dangers of voting for Labour councillors?

Mr. Biffen: I assure my hon. Friend that I have seen the report in the evening newspapers of the scenes at Southwark council to which he referred. Such scenes are to be deprecated. They are as much a challenge to democratic Socialism as they are to other elements in political society. I am certain that Opposition Members will join me in condemning such behaviour.

Dr. Owen: In view of the depressing and demoralisingly high levels of unemployment announced today, will the Leader of the House tell us when he confidently expects the rise in unemployment to be reversed, as he indicated in his letter to his constituency party chairman? Has he yet consulted the taproom wisdom in Llanyblodwel?

Mr. Biffen: I am sorry that the right hon. Gentleman, who has such a good Welsh name, has such indifferent Welsh pronounciation. I assure him that I at once join him in expressing disappointment with the unemployment figures released today. I said in the letter to my constituency chairman that the rise in the number of people at work

"is still offset by the increase in the potential national work force as those leaving education substantially exceed those ageing into retirement."

I then said:

"I believe, however, that the underlying strength of the economy will, in time, reverse this situation. That will be the most decisive moment during this Parliament."

[HON. MEMBERS: "When?"] Being tolerably shrewd as well as good-natured, I decline to give a specific date. But I stand by that remark, and all the more so in the light of the encouraging evidence supplied by the recent CBI survey.

Q2. **Mr. Terry Fields** asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Biffen: I have been asked to reply.

I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Fields: Does the Leader of the House not agree that it is the height of hypocrisy for this Government, egged on by their shadows in the alliance, to remove the political levy from the Labour party when it was revealed yesterday that the Liberal party had received £190,000 from the British School of Motoring and it is well known that the Tories receive millions of pounds from private industry? Is it not true that in both those cases the donors are elite groups and cliques — not the mass of the ordinary people in the country, but the rich stockholders and shareholders?

Mr. Biffen: The hon. Gentleman will know that contributions to party funds have been debated vigorously in the recent past. Of course, we can all make observations about the size of the contribution made by the British School of Motoring—*[Interruption.]* I am glad to have the assent of the leader of the Liberal party, because it would be improper for me to stand here and defend that contribution. The Tory party is sustained on voluntary contributions, and therein lies its strength.

Mr. St. John-Stevas: As my right hon. Friend is standing in for the Prime Minister, may I put a question to him on behalf of the Leader of the House? Will he continue to set his face against any curtailment of the powers of Select Committees to obtain the documents that they need to exercise thir parliamentary powers of supervision on behalf of the House?

Mr. Biffen: My right hon. Friend makes a somewhat good-natured but misleading observation on partial information. I suggest that he tries to ask his question at the appropriate time, which will come after 3.30 pm.

Mr. Shore: After today's Cabinet meeting, can the Leader of the House inform us whether the Government have decided to betray or to honour their general election pledge to maintain the earnings-related pension scheme? If it is the former and their pledge is betrayed, will that not injure not only the 11 million people in the state earnings-related scheme, but the 10 million people who are contracted out? Would not that, as Sir Terence Beckett informed a meeting in the House only a few days ago, impose additional costs of about £3 billion a year on employers or lead to the winding-up of contracted-out pension schemes?

Mr. Biffen: The right hon. Gentleman will know that there have recently been four major reviews of aspects of the social security system. They are currently being considered by the Cabinet. When that consideration ends, the Cabinet's views will be reported to the House and they will form part of a wider political debate. If the right hon. Gentleman starts by using words such as "betrayal", when one of the central requirements, given our enormous commitment to social welfare, is to ensure that we have an updated arrangement that relates resources to those in need, he will undermine the way in which the debate should proceed.

Mr. Shore: The House and the country will have noted the right hon. Gentleman's failure to answer the question about earnings-related pensions. Can he at least say whether, on the question of child benefit, the Government will also jettison the pledge given in a letter from the Prime Minister on 20 May 1983 to my hon. Friend the Member for Pontypridd (Mr. John), in which she categorically stated:

"there are no plans to make any changes to the basis on which the benefit is paid or calculated."

Mr. Biffen: The answer is simple. I will not betray, to use the right hon. Gentleman's language, any matters that are still before Cabinet. The proper course, when that discussion is concluded, will be for the appropriate Minister to come to this Dispatch Box and present the Government's proposals to the House.

Q3. **Mr. Speller** asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Biffen: I have been asked to reply.

I refer my hon. Friend to the reply which I gave some moments ago.

Mr. Speller: Is my hon. Friend aware that an increasing number of retail shops on petrol station forecourts are applying for off-licences, which means that they can sell alcoholic refreshments when pubs and licensed restaurants may not? Does this not make a mockery of our drink-drive laws and our licensing laws?

Mr. Biffen: I know that the position described by my hon. Friend is common in many parts of the country and that it gives rise to some anxiety. That is why it is being considered by my right hon. and learned Friend the Home Secretary.

Mr. John Fraser: Since the Prime Minister is in Bonn to observe the diplomatic skills of President Reagan at first hand, will she protest in the strongest possible way at the bully-boy tactics employed by the President of the United States towards Nicaragua in imposing a trade embargo? Will she remind him that when that was done in relation to Cuba, it gift-wrapped that island for Russia? Will she also tell him that, in the case of Nicaragua, he is subverting and sabotaging a country which is extremely poor, which is making the transition from dictatorship to democracy, and which should have the support of the land of the free, not its opposition?

Mr. Biffen: If my right hon. Friend the Prime Minister, in her quest to seek to influence allies, were to use the rhetoric that has just been employed in this Chamber it would be totally counter-productive. What I do say is that it will be widely felt in the Chamber—I hope on both sides — and in many parts of the world that trade sanctions are not particularly effective.

Q4. **Mr. Michael Forsyth** asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Biffen: I have been asked to reply.

I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Forsyth: Is my right hon. Friend aware of the BBC television poll conducted in Scotland last night on alternatives to the rating system in which 30,000 viewers participated? Is he aware that 51 per cent. of viewers opted for a poll tax, 41 per cent. for local income tax and only 8 per cent. for the present system of property tax? Is that not a clear sign that a poll tax is not only feasible and desirable, but an acceptable alternative for the majority of domestic ratepayers?

Mr. Biffen: I congratulate my hon. Friend on the additional evidence which he now possesses to sustain his own well-argued pamphlet on the subject. Whilst I take account of the figures that he quoted, as the debate proceeds it will be seen that the matters involved are a little more complex than was realised by those who took part in the poll.

Mr. Nellist: Today the highest unemployment levels in Britain this century were announced, despite attempts to sanitise the figures by the Tory Government. About 1,000 people a day have joined the dole queues in the last month. Is the Leader of the House surprised that because of that, and in view of leaks about the possible abolition of supplementary benefit for 16 and 17-year-olds, nearly 250,000 15 and 16-year olds took half a day's industrial action last Thursday against the Tory Government?

Mr. Biffen: I do not think that that episode was favourable to those who were politically identified with it.

North Yorkshire

Q5. **Mr. Gregory** asked the Prime Minister if she has any plans to make an official visit to North Yorkshire.

Mr. Biffen: I have been asked to reply.

My right hon. Friend has at present no plans to do so.

Mr. Gregory: I understand that my right hon. Friend has no plans to visit North Yorkshire, but I hope that my right hon. Friend who is standing in for her will visit the area soon to praise the county for its singular skill in keeping rates down to £60 per head less than they are in neighbouring Socialist Humberside. Does my right hon. Friend agree that this will result later today in a more substantial Conservative vote, as well as the creation of 4,000 jobs more per year?

Mr. Biffen: Although my right hon. Friend the Prime Minister has no immediate plans to visit North Yorkshire I am sure that all Tories will look back with nostalgia to the days when Tory Ministers went there in the early days of August, year after year. The requirement today is to take account of the extraordinarily fine local government record of North Yorkshire, to contrast it with what has happened in Labour-held areas close by and to hope that virtue will be rewarded.

Engagements

Q6. **Mr. Fox** asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Biffen: I have been asked to reply.

I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Fox: In view of the 799 votes cast by one man in the Transport and General Workers Union elections last year, is my right hon. Friend satisfied that the current proposals are sufficient to deal with the malpractices that are so obvious to everyone?

Mr. Biffen: I am sure that there will be widespread satisfaction over the fact that the Transport and General Workers Union is holding a new ballot. The indications are that even present legislation is encouraging postal ballots in the trade unions. We shall have to see what happens before coming to any further judgments about whether additional legislation is required.

Q8. **Dr. Marek** asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Biffen: I have been asked to reply.

I refer the hon. Gentleman to the reply that I gave some moments ago.

Dr. Marek: I know that the right hon. Gentleman is aware of the proposal by British Rail to single-track the railway line between Wrexham and Chester, but is he also aware that British Rail is apparently proposing, without consultation, to single-track the line from Wrexham to Shrewsbury, which runs through the right hon. Gentleman's constituency? Does he agree that there must be full consultation with local authorities and the local community before any such action is taken?

Mr. Biffen: I am glad that Question Time is settling around matters of more tangible consequence. I have been happy to be identified with the hon. Gentleman in representations on that matter in the past and I shall be equally happy to be alongside him in the future.

Mr. Crouch: On a point of order, Mr. Speaker.

Mr. Speaker: Order. Does it arise out of Question Time?

Mr. Crouch: Yes, it arises out of questions to the Prime Minister, which have been answered by my right hon. Friend the Leader of the House. Had you noticed, Mr. Speaker, that two questions were put to my right hon. Friend the Leader of the House about his views on something that he had said or thought in the past? While deputising for the Prime Minister, my right hon. Friend replies for the Prime Minister. The questions put to him by the right hon. Member for Plymouth, Devonport (Dr. Owen) and my right hon. Friend the Member for Chelmsford (Mr. St. John-Stevas) both concerned decisions of the Leader of the House and not of the Prime Minister. It is important that when the Leader of the House deputises for the Prime Minister he should speak for her views and not have to answer for his own.

Mr. Speaker: I am grateful for the hon. Gentleman's help. That very point was made by the Leader of the House himself.

Mr. Nicholas Winterton: On a point of order, Mr. Speaker, arising out of questions to the Home Secretary today. Is it appropriate that even hon. Members from the Opposition Front Bench, let alone those on the Opposition Back Benches, should refer to business for next week, while asking questions of the Home Secretary, when the House has not been notified of the business for next week?

Mr. Speaker: I think that that is legitimate. None of us knows when there will be a debate on this important matter. I know that it is of great interest to the House and that is why I allowed a fairly long run on it during Question Time. As yet, I have no knowledge of what will happen next week.

Business of the House

3.32 pm

Mr. Peter Shore (Bethnal Green and Stepney): May I ask the Leader of the House to state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): The business of the House for next week will be as follows:

TUESDAY 7 MAY and WEDNESDAY 8 MAY — Consideration in Committee on the Finance Bill.

THURSDAY 9 MAY—There will be a debate on the multi-fibre arrangement, which will arise on a motion for the adjournment of the House.

FRIDAY 10 MAY—Private Members' Bills.

MONDAY 13 MAY — Until Seven o'clock, private Members' motions. Remaining stages of the Surrogacy Arrangements Bill, of the Ports (Finance) Bill, and of the Prosecution of Offences Bill (Lords).

The Chairman of Ways and Means has named opposed private business for consideration at Seven o'clock.

Mr. Shore: We welcome the debate on the important multi-fibre arrangement, particularly as discussions are still in a formative stage and the House has an opportunity to impose its views. We hope that the Government will listen to them carefully.

May I press the right hon. Gentleman for the earliest possible statement of the Government's decision on the reviews on the future of the welfare state? I press him all the more because of the undoubted anxiety throughout the country about their outcome.

When does the right hon. Gentleman intend to fulfil his promise, made many months ago, of a debate on the Green Paper on the long-term prospects for public expenditure? The relevance of that debate to the future of the welfare state is apparent, and I am sure the right hon. Gentleman must accept that such a debate has an early claim on time.

I hope that it is still in the right hon. Gentleman's mind to have a debate on the report of the Commission for Racial Equality on immigration and control procedures.

In view of today's disastrous unemployment figures —the highest ever April figures—does the right hon. Gentleman agree that he should ask the Secretary of State for Employment to make an early statement in the House?

Mr. Biffen: I shall answer the questions asked by the right hon. Member for Bethnal Green and Stepney (Mr. Shore) in the reverse order in which he asked them. I shall, of course, draw the attention of the Secretary of State for Employment to the right hon. Gentleman's request for a statement.

The answer to the right hon. Gentleman's question about the report of the Commission for Racial Equality is that I have indicated my interest in seeing whether we could make arrangements for such a debate, and I am happy to continue discussions through the usual channels.

The right hon. Gentleman may recall that when I was last questioned about the Green Paper on long-term public expenditure I explained that I was keen that there should be a debate but that I thought it appropriate that it should be related to the work being done on the subject by the Treasury and Civil Service Select Committee.

I take note of what the right hon. Gentleman said about the House being informed of decisions on the studies that have been undertaken of the welfare services, and I underline the importance of the point that he made.

I appreciate the right hon. Gentleman's remarks about the debate that we are planning for Thursday on the multi-fibre arrangement, because it is important that the House should have a chance to make known its views when matters are still formative, rather than fixed.

Mr. Eric Forth (Mid-Worcestershire): Is my right hon. Friend aware of proposals in certain European circles for fundamental changes to EEC institutions' financial arrangements and other matters? Will he give the House an early opportunity to debate these issues before Her Majesty's Government may be invited to commit themselves on them, possibly returning to the House with some sort of fait accompli?

Mr. Biffen: I accept at once the importance of the point that my hon. Friend makes. I am sure he will agree that we have the Scrutiny Committee as a means of helping to guide our judgment in these matters, and I shall, naturally, look to that Committee, but if the matter goes perhaps wider than that I shall, if my hon. Friend contacts me, see what can be done.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): The Leader of the House will be aware that there is widespread and continuing anxiety among commercial ratepayers north of the border about the imposts that have been put on them in the course of the rating revaluation that has just taken place. Has he noted that the ten-minute Bill which I introduced yesterday was unopposed? Will he have words with the Secretary of State for Scotland to see what chance there may be, if not for taking the measure in Government time, at least for considering the matter further, with the possibility of a debate in the future?

Mr. Biffen: There is a charming innocence about that request. The Secretary of State for Scotland is mindful of the problems which the hon. Gentleman identifies and will take action in his own way and in his own time.

Mr. John Stokes (Halesowen and Stourbridge): Can my right hon. Friend arrange time, if possible next week, to debate the question of the proceedings of the House being televised, so that those of us who think that it would be an utter catastrophe may mobilise our forces? Will he take the opportunity to make it clear to everybody, inside and outside the House, that it is a matter which concerns the House as a whole and not the Government?

Mr. Biffen: I have no doubt that a decision on the matter will be undertaken by the House and in the spirit of a House of Commons decision. I am afraid that I must disappoint my hon. Friend, in that I cannot provide time for a debate that speedily. Probably the House would like to have some chance for a more measured assessment of the experiment in another place before coming to its own judgment.

Mr. Laurie Pavitt (Brent, South): Will the Prime Minister make a statement next week on her recommendations to the Government arising from the report of the review body on the pay of nurses and midwives, as she has had the information on her desk for quite a time?

Mr. Biffen: That is clearly an important matter, and I am sure that the Prime Minister will wish to follow precedent.

Mr. Norman St. John-Stevas (Chelmsford): May I ask my right hon. Friend, in response to his kind invitation—readdressing and rephrasing my question—whether it is the intention of the Government to interfere with the time-honoured constitutional right of Select Committees to send for papers from public bodies? Does the pledge that I gave when I was Leader of the House—that every Minister, from the highest to the lowest, would co-operate with Select committees—still stand?

Mr. Biffen: I have been consulting the Chairman of the Liaison Committee on the powers of Select Committees to send for personal papers and records under Standing Order No 99. Those powers are governed by long-standing conventions with which my right hon. Friend the Member for Chelmsford (Mr. St John-Stevas) will be familiar. The Government consider that certain changes to those conventions might be helpful. I understand that the Liaison Committee considered these changes at a meeting earlier this week. I shall be discussing its views with the Chairman of the Committee in the next few days. It is very much a relaxed and low-key exchange, and does not quite bear some of the drama with which it seems to be now invested.

Mr. Kevin Barron (Rother Valley): Will the Leader of the House arrange for the Prime Minister to make a statement on her current visit to the summit at Bonn? Will the right hon. Gentleman also ask the Prime Minister to explain why, since June 1983, she has spent more than 77 days, or part days, visiting abroad, and only 18 days, or part days, visiting different parts of the United Kingdom? Will the right hon. Gentleman ask the Prime Minister to explain the reason for that to the House and the nation?

Mr. Biffen: The hon. Gentleman will find that there is on record in the press a comprehensive analysis which shows that the journeys of my right hon. Friend have been as active within the United Kingdom as without. I shall, of course, bear in mind his anxiety that my right hon. Friend should make a statement on the Bonn visit. Whether the hon. Gentleman approves or disapproves, there is no doubt that the House will feel that it is only appropriate that my right hon. Friend should report.

Mr. Nicholas Soames (Crawley): Will my right hon. Friend, when casting around for matters to debate, consider the great interest in conservation matters shown not only by colleagues in the House but by many of our constituents? Will my right hon. Friend therefore find some time for a debate on this very important subject, which is close to the hearts of many of our constituents?

Mr. Biffen: I am afraid that there is no prospect of Government time being available for such a debate in the next few weeks. However, I thoroughly underline the importance of the topic that my hon. Friend raises. I believe that it will be of growing political significance.

Mr. Allen Adams (Paisley, North): Bearing in mind that VE day falls next week, can the Leader of the House find time to initiate a debate on the disgraceful level of pensions paid to those who were widowed during the second world war? I understand that they are paid £47 a week. Perhaps the House would like to contrast that with the £97 paid to those widowed during the Falklands war and as a consequence of events in Northern Ireland. When we are marching up and down next week celebrating the defeat of Fascism and Nazism, perhaps the House would like the chance to show how grateful we are to the people who gave their lives to make VE day possible.

Mr. Biffen: No Government time is set aside over the next week or thereabouts for the debate requested by the hon. Gentleman. However, I believe that it would be admirably suited to an Adjournment occasion.

Mr. Patrick Thompson (Norwich, North): I hope that my right hon. Friend has had time recently to read early-day motion 515, in the names of my hon. Friend the Member for Macclesfield (Mr. Winterton) and more than 70 hon. Members from both sides of the House, calling for an early debate on the recent report of the Select Committee on Social Services.

[That this House, noting the widespread interest in the issue of care for the mentally ill and mentally handicapped in the community following the publication of the report of the Social Services Committee on this matter, calls for an early debate on the recommendations and implications of this report.]

Will my right hon. Friend give an assurance that there will be an early debate on care in the community, particularly of the mentally ill and the mentally handicapped, because this issue is causing deep and increasing concern in all the constituencies in the land?

Mr. Biffen: The Government are considering their response to this most important report. When that response has been made known, we can see whether it would be most helpful to proceed by way of debate.

Mr. Jeremy Corbyn (Islington, North): Has the right hon. Gentleman seen early-day motion 645,

[That this House profoundly regrets the proposed visit of President Reagan to the German Military Cemetery at Bitburg, containing the remains of Nazi SS stormtroopers; regards the visit as an offence to the memories of Jews and so many others persecuted and murdered by the Nazis, and as insensitive and ill-advised; and calls on the President, in the name of good relations between our countries and between all the allies in the war against Nazism, to cancel that visit.]

which has been signed by a large number of Members, and early-day motion 658,

[That this House believes that there can never be any reconciliation with fascism; therefore condemns the British Broadcasting Corporation Newsnight programme of 30th April for its lengthy and uncritical coverage of the collection of Nazi memorabilia by wealthy people in the United States of America and Britain; believes that such programmes can only serve to make Nazism respectable; and further believes that the memory of the Jewish people, gypsies, Communists, trade unionists and gay people who were murdered by the Nazis and the millions of Soviet, British, American and other peoples on every continent who died to defeat fascism should not be defiled by any attempted rehabilitation into respectability of fascism.]

both of which concern the memory of the people who died fighting Fascism and the disgraceful intention of President Reagan to visit Bitburg cemetery? Will the Leader of the House take this opportunity to give the Government's view of the President's intention to visit that cemetery of SS memory?

Will the right hon. Gentleman also arrange for a special debate next week to consider the rise of Fascism and

[Mr. Jeremy Corbyn]

racism now occurring in many European countries and the need to condemn utterly all that went on in Nazi Germany and ensure that such tyrany can never arise again, and the need to ensure that proper memory is accorded to all who died fighting Nazism, whether they were Russian, British, French or from any other country in the world?

Mr. Biffen: My right hon. Friend the Prime Minister has already commented on President Reagan's proposed visit to Bitburg cemetery, and I have nothing to add on that. On the wider issue, no provisions have been made for the debate requested by the hon. Gentleman, but those who view totalitarianism with such great hostility would be more convincing if their attitude stretched across the whole spectrum.

Mr. Ivor Stanbrook (Orpington): We seem to be getting a blow by blow account of Cabinet discussions about the earnings-related pension scheme. Can my right hon. Friend say when we are likely to revert to the tradition whereby Cabinet discussions are secret?

Mr. Biffen: Secrecy is something to which we all aspire, with more success on some occasions than on others. I should have thought, however, that things had gone rather well in the past few weeks. If my hon. Friend can contain his patience, I assure him that he will be more than rewarded.

Mr. Charles Kennedy (Ross, Cromarty and Skye): Will the right hon. Gentleman recognise the crucial role that he can play, both as Leader of the House and as a member of the Cabinet, in the discussions on the future of the state earnings-related pension scheme by maintaining the strong underpinning all-party support and consensus on which the scheme was originally based? Will the right hon. Gentleman use both those aspects of his responsibility to take the scheme out of the present welfare state review debate, not allow the Cabinet to make a decision on the matter and involve the Opposition, both Labour and Alliance, in discussing the future of the scheme sensibly, as was the case when it was set up? Does he agree that that is a far better way to make progress?

Mr. Biffen: The hon. Gentleman has sought with great skill to finesse an answer out of me with a bridge strategem worthy of the late Iain Macleod. He knows that I cannot answer that question, because I remain very much of the opinion that I expressed at the outset of this exchange about the review being undertaken in the Cabinet.

Mr. Harry Greenway (Ealing, North): Will my right hon. Friend bear in mind the deep revulsion of the millions of people in this country who contributed to food aid and other aid for Ethiopia at the action of the Marxist régime in driving 60,000 people, who were receiving treatment and being brought back to life with proper food, out of their beds and into the countryside to grow food? We accept that it is necessary to grow food in Ethiopia, but will my right hon. Friend arrange for my right hon. Friend the Minister for Overseas Development to make a statement to the House on this important matter?

Mr. Biffen: I am sure that my hon. Friend, like me, heard on the radio this morning the graphic and moving description by Father Finucane of the fate of people at the Ibnat camp. I understand that our ambassador is in close touch with the United Nations co-ordinator about ways in which we can help, but I shall certainly draw the attention of my right hon. Friend the Minister for Overseas Development to the point made by my hon. Friend.

Mr. Max Madden (Bradford, West): Despite the allegations of the Minister of State, Home Office, at Question Time today about the circumstancces in which it was decided that the debate on immigration policy expected next week would not take place, will the Leader of the House confirm that the Government arrange the business, and will he give the heaviest of hints that that debate will take place the week after next?

Mr. Biffen: I effectively answered that point in replying to a question from the right hon. Member for Bethnal Green and Stepney (Mr. Shore). I do not think that it would help matters very much if I strayed beyond that original reply.

Mr. Nicholas Winterton (Macclesfield): I support the request by the hon. Member for Paisley, North (Mr. Adams) for a debate on the financial position of those who lost their husbands during the second world war.

I warmly congratulate my right hon. Friend on arranging a debate next week on the multi-fibre arrangement, which is of interest to the textile and clothing industry, which is the fourth largest employer in this country. Will my right hon. Friend consider extending that critical debate beyond 10 o'clock to enable every hon. Member with an interest in textiles snd clothing to participate? My right hon. Friend extended the foreign affairs debate. Will he now do the same with respect to a debate on industries which affect many parts of the United Kingdom?

Mr. Biffen: As my hon. Friend will appreciate, such matters are arranged through the usual channels. I cannot answer my hon. Friend now on that point, but I have heard what he said.

Mr. J. D. Concannon (Mansfield): Will the Leader of the House suggest to the Ministry of Defence that a statement should be made next week on the local overseas allowance for British forces? I ask this question because of the letters that I have received from members of the armed forces. I do not know whether other hon. Members have received such letters. These letters are unprecedented, because they seem to reflect a well-organised campaign which has the sanction of many high people within the armed forces. The Ministry of Defence should make a statement on the changes in local overseas allowance.

Mr. Biffen: The right hon. Gentleman's point is highly topical. There is certainly a great deal of interest in it. I shall refer his remarks to my right hon. Friend the Secretary of State for Defence.

Mr. Dave Nellist (Coventry, South-East): Has the Leader of the House seen early-day motion 663?

[That this House notes the statement by the Secretary of State for Northern Ireland on 29 April, listing the identification documents which will be required to enable electors to vote in the forthcoming local elections in Northern Ireland; notes that UB40 cards are not included on the list; condemns this omission as totally undemocratic in that it will effectively defranchise thousands of young people, for whom the UB40 cards are their sole means of identification; and calls upon Her Majesty's Government to redress this omission

immediately, or, if time does not permit, to postpone the elections until a fully-democratic means of enfranchising all bona fide voters has been worked out.]

That motion was tabled yesterday by me in response to a statement on Monday in the Chamber by the Minister of State, Northern Ireland Office. My early-day motion deals with a list of identification documents which will be required at the local elections in Northern Ireland, which are to be held shortly. The list does not include UB40 cards. Given the unemployment levels in the north, which have been exacerbated in the past four weeks, as we have seen in the figures published today, does the Leader of the House, not think that another statement should be made to the House to explain how the Government will prevent thousands of young people from being disfranchised because the UB card is their only identification document? If that is not possible, should not the elections be postponed until an equitable method has been devised so that everyone is entitled to vote in the Northern Ireland elections?

Mr. Biffen: I think the hon. Gentleman will recognise at once that I am in no sense competent to comment on the significance of UB40 cards. I shall refer the hon. Gentleman's point to my right hon. Friend the Secretary of State for Northern Ireland.

Mr. Tony Banks (Newham, North-West): The Leader of the House is surely by now aware of the great disappointment felt by both sides of the House at the fact that he has not arranged for a more appropriate debate to be held on 8 May—VE day. War widows would have been a most appropriate subject for the House to consider, notwithstanding the important matters in the Finance Bill.

As the Prime Minister is in Bonn, will the Leader of the House take the opportunity to ask the right hon. Lady to protest to the West German Government about the reunion which the Death's Head Tank Division of the Waffen SS will hold on VE day? That reunion will give rise to a good deal of deep feeling among many people in this country.

Mr. Biffen: I think that the hon. Gentleman is right. Such occasions give rise to unease and antagonism, but I hope that we sometimes reflect on the fact that many activities which we undertake in this country have such consequences among our neighbours. It might be in the spirit of 40 years on and reconciliation if we began to be a little easier in our judgment of each other.

Mr. David Crouch (Canterbury): I hope that my right hon. Friend will note the point made by my right hon. Friend the member for Chelmsford (Mr. St. John-Stevas) about the opportunities given to the House to keep a check on the Executive by questioning through Select Committees and by the reporting of Select Committees. I hope that my right hon. Friend will not allow this check on the Executive to be weakened in any way.

Mr. Biffen: My hon. Friend makes a point which I understand. The last thing that I would want is for this matter to become a point of conflict. I should prefer there to be a discussion to see whether we might find ways of interpreting the Standing Order to minimise friction, rather than focus upon it.

Unborn Children (Protection) Bill

3.54 pm

Mr. Dafydd Wigley (Caernarfon): On a point of order, Mr. Speaker. I am not sure whether it is appropriate for me to raise the point now, but it might be helpful to you if I do. It relates to the provisional selection of amendments for the Unborn Children (Protection) Bill, which is to be considered tomorrow. May I ask you, respectfully, to reconsider the selection, on the basis that none of the amendments selected deal with genetic research and the effects that that has? It is a matter which has not been dealt with adequately in Committee and upon which many points have come to light since the Committee dealt with the Bill.

Mr. Speaker: I went through the selection carefully this morning. The hon. Member will understand that I must take account of what was discussed at length in Committee. I shall reconsider the matter, but I cannot give him any hope that I shall change the selection.

BILL PRESENTED

OIL AND PIPELINES

Mr. Secretary Walker, supported by Secretary Sir Geoffrey Howe, Mr. Chancellor of the Exchequer, Mr. Secretary Younger, Mr. Alick Buchanan-Smith, Mr. Alastair Goodlad and Mr. David Hunt presented a Bill to provide for the establishment and functions of a body corporate to be called the Oil and Pipelines Agency, for the vesting in that Agency of the property, rights and liabilities of the British National Oil Corporation and for the subsequent dissolution of that Corporation: And the same was read the first time; and ordered to be read a Second time tomorrow and to be printed [Bill 139.]

STATUTORY INSTRUMENTS, &C.

Ordered,

That the draft Scottish Special Housing Association (Limit of Advances) Order 1985 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Garel-Jones.]*

LAW REFORM (MISCELLANEOUS PROVISIONS) (SCOTLAND) BILL [MONEY] (NO. 2)

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Law Reform (Miscellaneous Provisions) (Scotland) Bill, it is expedient to authorise the payment out of money provided by Parliament of the expenses of the Secretary of State in paying fees or other amounts to the Commissioners under the Private Legislation Procedure (Scotland) Act 1936 taken from the extraparliamentary panel in respect of their duties under the said Act of 1936.—*[Mr. Garel Jones.]*

Orders of the Day

Law Reform (Miscellaneous Provisions) (Scotland) Bill

As amended (in the Standing Committee), considered.

New Clause 6

AMENDMENT OF ENACTMENT RELATING TO SOLICITORS

'The Legal Aid and Solicitors (Scotland) Act 1949 and the Solicitors (Scotland) Act 1980 shall have effect subject to the amendments set out in Schedule [Amendment of enactments relating to solicitors] to this Act.'.—*[The Solicitor-General for Scotland.]*

Brought up, and read the First time.

3.57 pm

Mr. Speaker: With this it will be convenient to take Government amendments Nos. 53, 55 and 56.

The Solicitor-General for Scotland (Mr. Peter Fraser): I beg to move, that the clause be read a Second time.

The new clause and the schedule propose amendments to the Legal Aid and Solicitors (Scotland) Act 1949 and the Solicitors (Scotland) Act 1980 which were recommended by the council of the Law Society. The proposals were fully discussed in Committee and we undertook to bring forward on Report a revised schedule incorporating those items that we accepted as suitably adjusted. The terms of the new clause and the schedule have been agreed with the Law Society of Scotland. I commend them to the House.

Mr. Donald Dewar (Glasgow, Garscadden): I am pleased to say that this is one of a number of occasions upon which I can fairly thank the Solicitor-General, or one of his colleagues, for useful amendments. As the Solicitor-General fairly says, new clause 6 and the fairly formidable schedule are the products of a good deal of consultation and discussion. They were originally tabled by me in Committee. I was then, in a sense, acting as an agent for the Law Society which had approached me and asked that the matter should be raised.

The Minister was good enough to accept that there was good sense in most of the provisions, but he cavilled at one clause which dealt with the slightly more controversial matter of the need to tax solicitors' accounts before court action could be raised for recovery of fees due.

I took the view, and I still do, that on balance that was probably sensible, if it is seen in the context of what will be a lengthy and continuing debate about the fairly traumatic shock of the arrival of advertising and competition in the staid and respectable world of Scottish solicitors. We shall probably want to return to that subject at leisure on another occasion. That matter has gone from the schedule and I understand the reason for that.

A number of useful changes remain which deal with the right to levy a subscription and the right to have a special levy to fund a project, such as the new Scottish law publication with which the Law Society is involved. There are a number of other such matters—the recovery of expenses and the rather sad circumstances in which the Law Society has to take over a solicitor's business because of problems that have arisen.

The provisions bring some flexibility to the framework within which the Law Society operates. These matters underline the difficulties that can arise when one needs primary legislation to effect minor tunings and changes which experience has suggested would be useful. I welcome the fact that the Solicitor-General for Scotland has—as one would expect—honoured the undertaking that he gave in Committee. I welcome the new clause.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 8

POWER TO PAY EXTRAPARLIAMENTARY COMMISSIONERS FOR SERVICE ON INQUIRIES UNDER THE PRIVATE LEGISLATION PROCEDURE (SCOTLAND) ACT 1936

'In section 5 of the Private Legislation Procedure (Scotland) Act 1936 (which provides amongst other things, as to the appointment of Commissioners for inquiries under the Act) there shall be added at the end the following subsection—

"(9) The Secretary of State may pay Commissioners taken from the extraparliamentary panel such fees or other amounts in respect of the performance of their duties under this Act as he may, with the approval of the Treasury, determine".'.—*[The Solicitor-General for Scotland.]*

Brought up, and read the First time.

The Solicitor-General for Scotland: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Paul Dean): With this, it will be convenient to take Government Amendment No. 51.

4 pm

The Solicitor-General for Scotland: The new clause adds a new subsection, subsection (9), to section 5 of the Private Legislation Procedure (Scotland) Act 1936, to empower the Secretary of State to pay fees to commissioners appointed from an extra-parliamentary panel to serve on the inquiries into provisional orders submitted to him under that Act.

Four commissioners are appointed, under section 5 of the 1936 Act, to serve on an inquiry. They are normally two hon. Members appointed by the Chairman of Ways and Means, and two members of the House of Lords, appointed by the Chairman of Committees.

If the Chairmen are unable to appoint four parliamentary commissioners, the Secretary of State appoints as many persons as are required from the extra-parliamentary panel. The panel consists of 20 persons qualified by their experience of affairs who are nominated by the chairmen, acting jointly with the Secretary of State.

Recourse to the panel is very infrequent. Until last November, when two members were appointed to act as commissioners for the inquiry into the Lothian Region (Edinburgh Western Relief Road) Order 1984 only three members from the extra-parliamentary panel had been called upon to serve in the last 20 years.

Section 14 of the 1936 Act provides for the payment of travelling and subsistence allowances for all commissioners, but there is at present no provision for the commissioners from the extra-parliamentary panel to be paid a fee or to be reimbursed for loss of earnings through service as a commissioner. The absence of such a provision might create a difficulty when the Secretary of State next has to appoint a commissioner from the panel.

My hon. Friend the Member for Strathkelvin and Bearsden (Mr. Hirst), who served on a recent provisional order inquiry, will well understand the need for this provision, which seeks to remove the possibility of difficulty.

Mr. Robert Hughes (Aberdeen, North): I apologise to the Solicitor-General in that, because I have only just entered the Chamber, I do not know whether he has already mentioned this point. Is it perfectly clear that such payment would not involve commissioners in a difficulty over the question of an office of profit under the Crown?

The Solicitor-General for Scotland: No, the new clause would not create any difficulty, because commissioners who happen to be hon. Members will have no access to this opportunity. It is only in those infrequent cases where a commissioner is appointed from the extra-parliamentary panel that there might be a need for payment. The power to pay a fee—the level of which would be determined by the Secretary of State with the approval of the Treasury — will be additional to the provisions of section 14 for the payment of travelling and subsistence allowances. It will apply only to commissioners drawn from the extra-parliamentary panel. Hon. Members continue to receive their normal parliamentary salary when serving as commissioners, and Members of the House of Lords are entitled to allowances on the same basis as for attendance in their House.

I commend the new clause to the House and trust that it will be seen as facilitating the private legislation procedure in Scotland.

Mr. James Wallace (Orkney and Shetland): The amount is not limited; it is to be determined by the Secretary of State. It will be subject to Treasury approval, and that might lead us to believe that it is likely to be very modest, but should Parliament give an open-ended commitment? It is acceptable that people should be paid, but perhaps Parliament should have some control over the size of the payment.

The Solicitor-General for Scotland: The level of the fee is to be determined by the Secretary of State. If the hon. Member for Orkney and Shetland (Mr. Wallace) fears that the fee might be too high, he must be failing to take account of the fact that the approval of the Treasury will be required. It would be a unique experience, if the Secretary of State for Scotland were to find that the Treasury was prepared to agree to the payment of a sum, that the House might consider that excessive.

Mr. Donald Stewart (Western Isles) *indicated assent.*

The Solicitor-General for Scotland: I see that the right hon. Member for Western Isles (Mr. Stewart), with his experience, accepts that proposition.

Mr. Michael Hirst (Strathkelvin and Bearsden): I am grateful for the opportunity to say a few words about the new clause. I do so with enthusiasm because I recently served as a parliamentary commissioner on a lengthy inquiry. Because only two of the four commissioners were Members of Parliament, it was necessary on that occasion to bring in two people from the extra-parliamentary list. The inquiry was privileged by the appointment of Mrs. Morris and Mr. Lowson. Mr. Lowson was retired, but Mrs. Morris was a very active person who found it necessary to forgo, for nearly three and a half months, practising her profession as a psychologist. It is entirely appropriate that this power should be granted, so that, in future, the private legislation procedure will be able to depend on the services of the talented and able people who are needed to serve in the onerous position of commissioner.

The hon. Member for Orkney and Shetland (Mr. Wallace) has pointed out that the amount to be paid would be unlimited. That must be right, because the appropriate reimbursement may vary in different circumstances. Given the Treasury's record, I cannot believe that it will be prepared to pay substantial amounts without justification. I welcome the new clause with enthusiasm.

Mr. Dewar: I welcome — in a somewhat muted fashion — a minor change. There should be room for recompense for those who give such public service. No sum likely to get past the eagle eye of the Treasury would be likely to compensate for the sufferings of the commissioners on the Edinburgh relief road inquiry. The comments of the hon. Member for Strathkelvin and Bearsden (Mr. Hirst) resembled a cri de coeur.

On another occasion, we could have a useful debate about the way in which the procedure operates, its effectivness as a method of dealing with the immensely complex issues that arise in such inquiries, and the extent to which it can be conclusive. However, while the procedure exists, and while we ask people—we may ask them with increasing frequency in future—to serve from the extra-parliamentary list, it is only right that there should be some provision to pay them for their services. The Opposition would not wish in any way to obstruct the proposal.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 1

PLACES FOR THE CARE OF DRUNKEN PERSONS

'In Section 5 of the Criminal Justice (Scotland) Act 1980, at the end, there shall be added—

"(2A) Where a constable has power to arrest a person without warrant for being drunk and disorderly, drunk and incapable drunk and in charge of a child, and drunk and attempting to enter licensed premises, then the constable shall take him to any place designated in Schedule (places designated as suitable for the care of drunken persons) to this Act, unless (a) the person refuses to go to such place, (b) the constable has reason to suspect that he has committed another offence or (c) there is no such designated place reasonably accessible. Where a constable does not take a person to a designated place and charges him with any of the above offences then he must enter on the charge his reasons for failing to take the person to a designated place.

(2B) Where a constable has power to arrest a person without warrant for any other offence and the constable has reasonable grounds for suspecting that that person is drunk, the constable may if he thinks fit, take him to any place designated in Schedule (places designated as suitable for the care of drunken persons) to this Act.".'. —*[Mr. Maxton.]*

Brought up, and read the First time.

Mr. John Maxton (Glasgow, Cathcart): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to take new clause 2—*Places designated as suitable for the care of drunken persons—*

'The following Schedule shall be added to the Criminal Justice (Scotland) Act 1980—

PART I

1. Within six months of the coming into force of this

[Mr. Deputy Speaker]

> Act each Regional authority in Scotland shall submit to the Secretary of State for Scotland a list of places within each region which they consider suitable for the care of drunken persons.
>
> 2. Such places shall be those that having been inspected by the Social Work Department and the Local Health Board, are considered to have met the criteria listed in paragraphs 3 and 4 below.
>
> 3. The Social Work Department and the Local Health Board shall be satisfied that the place, whomsoever it is run by, has suitable accommodation for the care of drunken persons and meets the statutory, fire, health and safety standards.
>
> 4. The Social Work Department and the Local Health Board shall be satisfied that there is one person on the staff of such places who either is qualified to deal with drunken persons or has considerable experience in dealing with drunken persons.
>
> 5. Where a regional authority is of the opinion that there are inadequate numbers of places in the region for the purposes of section 5 of this Act, then they may, if they so wish, establish such places under their own authority.
>
> PART II
>
> 1. When the Secretary of State has received from each regional authority the list of places considered suitable for the care of drunken persons then he shall designate such places if he is satisfied that they are suitable, and accordingly inform the regional authorities.
>
> 2. The Social Work Department and Local Health Board shall inspect the designated places every six months to ensure that the standards as laid down in Part I of this Schedule are maintained.
>
> 3. If at any time the regional authority reports that a designated place is no longer suitable then the Secretary of State shall move that place from the list of designated plans.
>
> 4. A regional authority may, if it so wishes, make grants to other bodies in order to maintain such places.
>
> PART III
>
> *Purposes of places designated as suitable for the care of drunken persons*
>
> 1. Designated places shall take into care those persons brought to them by a constable and shall offer such treatment as the qualified or experienced person considers appropriate in order to resolve the problems the drunken person has.
>
> 2. A drunken person shall be asked to stay for such time as the qualified or experienced person considers necessary for the treatment.".

Mr. Maxton: Those who served on the Committee may well recognise the words of these new clauses. New clause 2 is, or course, a new schedule to the Criminal Justice (Scotland) Act 1980. The new clauses are exactly the same as amendments that I tabled in Committee.

Part 5 of the Criminal Justice (Scotland) Act gives constables certain powers when they arrest drunks for certain specific drunken offences. I believe that there are only three specific offences—drunk and disorderly, drunk and incapable, and drunk in charge of a child. In the case of those offences a constable may take the person in question to a designated place where he will receive treatment, rather than taking him to the police station, charging him with the offence and bringing him before the court. My new clauses require a constable to take a person to a designated place unless quite specific conditions have been met or the person refuses to go. It is not enough to say that constables may take people to a designated place, because the evidence of the past five years shows that they do not.

New clause 2 provides what designated places are. In 1980, I wanted to ensure that the Secretary of State did not start designating unsuitable places where no treatment was available and which were essentially doss houses. The designated places should be capable of treating offenders and of keeping them there for a specified time. Medical care should be available and health and safety regulations should be met. I thought it necessary to have control over designated places.

My fears have been proved utterly unfounded because, with the exception of one place in Aberdeen, none have been designated. Ministers had enormously high hopes during the passage of the 1980 Act. Of course, with the exception of the Secretary of State, none of the Ministers involved with the Act are still on the Front Bench. We were told how the Act would decriminalise drunkenness in Scotland. It was a laudable effort. We all welcomed the principle and agreed that it was time that people with drink problems should stop being treated as criminals.

Five years later, nothing has happened. Last Friday I spoke to the chief constable of Strathclyde — Sir Patrick Hamill—who, when he heard that I intended to raise the subject, asked me to push it as hard as I could because he wants to decriminalise drink. I can think of no section of the community that disagrees with that. Each year, about 15,000 to 20,000 people are charged with offences caused principally by a drink problem. On the clause 5 stand part debate, my hon. Friends said that unless the Government were prepared to provide resources, nothing would happen. With the honourable exception of Aberdeen, that is what has occurred.

4.15 pm

Matters are even worse in England as, far from detoxification units being opened, they are being closed for lack of resources. The Manchester unit is being closed for lack of resources, although I accept that it has problems because it is a little out of the city and not easy for the police to reach. In Glasgow we have an area that could be used as a designated place. It is doing a marvellous job treating people with serious drink problems. Like the hon. Member for Strathkelvin and Bearsden (Mr. Hirst), I have visited it. I refer to the Department of Health and Social Security resettlement unit at Bishopbriggs. It is doing a tremendous job and treats people with the most serious drink problems — the people whom the voluntary organisations will not touch. Only when the resettlement unit has partially dried people out will the voluntary organisations take them on. In spite of its good work, the unit is being closed. That is not good enough.

I hope that the House is grateful that I have tabled these new clauses. They give Ministers an opportunity to explain what they have done since 1980. After all, there is no point in enacting legislation, no matter how well intentioned, unless it is put into action. That is what has happened here.

Mr. Donald Stewart: What will happen to the man who is simply drunk on the odd occasion and is clearly not an alcoholic? Would he be covered by these new clauses?

Mr. Maxton: To some extent such a man would be benefited by the new clauses. If a man goes out on a blinder, he might be charged with being drunk and incapable and therefore have a criminal record, although he is an honourable man. However, if my new clauses were enacted, he would not be charged and he would therefore have no criminal record. He might be taken to a detoxification unit, but he would be there only one night as the staff would quickly be aware that he had no history of drinking.

I hope that the Minister will say what the Government have done in the past five years and what they intend to do. Do they realise that passing legislation is not enough on its own, and that they must give local authorities, health boards and voluntary organisations money to ensure that there are places to which police constables can take people who have committed a drink offence?

The Parliamentary Under-Secretary of State for Scotland (Mr. John MacKay): As the hon. Member for Glasgow, Cathcart (Mr. Maxton) said, these new clauses are identical to amendments that he tabled to the original clause 5 of the Criminal Justice (Scotland) Bill and which were discussed in the Scottish Standing Committee on 5 June 1980. I appreciate his reasons for retabling them—principally to enable further discussion of a subject that is still worrying. Although we do not think that provision such as this would be helpful, I should like to outline developments since the 1980 Act which have overtaken parts of the new clauses.

Following the passage of the 1980 Act, the Scottish Office undertook consultation with many bodies and organisations, including the Confederation of Scottish Local Authorities and the Association of Directors of Social Work. In April 1982 we produced two sets of guidelines for designated places, covering the caring aspect of setting up and running premises suitable for designation and advice to the police on those who might be suitable for taking to such a place.

The guidelines represented the detail that we thought it reasonable to lay down. They included the standard of premises, care and supervision in the premises, links with other types of facilities and co-operation with social work, medical and nursing services.

While the guidelines for the police explain the purpose and scope of section 5 procedures and the degree of discretion which the police might want to exercise, for example, when a person has committed more than one offence, they also cover—I mention this in the context of the new clauses—the action to be taken if a person refuses to go to a designated place or if staff decline to accept him and he may be taken to a police station and charged.

A specific part of the provisions of the new clauses, regarding the standards of premises and supervision, and the action to be taken by the police, need not and possibly should not be included in primary legislation. Some provisions—for example, specifying that a designated place must take into care all those brought in by the police, or that such persons would be asked to stay as long as the person in charge of the designated place thinks fit—would encroach on the proper use of discretion by those concerned and, possibly, on the liberty of the citizen.

New clause 2 would require local authorities, within a limited period, to submit to the Secretary of State lists of premises which are suitable for designation to receive drunken offenders with suitable staff to run them, with the implication that, following designation, they should be operated either by the local authority or by other bodies with a local authority grant.

I appreciate the hon. Gentleman's aim of making such a provision to accelerate the provision of designated places, of which, as he said, only one operates at present. Apparently, that one operates with considerable success. There are, however, two points that I should like to make. First, several parts of the new clause are unnecessary. For example, local authorities already have the power under the Social Work (Scotland) Act 1968 to provide funds to voluntary bodies for the purposes of the Act, and to inspect and register residential and other establishments, taking into account the suitability of staff, premises and conduct of the establishment.

More important, while we welcome the implicit suggestion in the new clauses that the responsibility for providing facilities and services for people with an alcohol problem is primarily for local authorities and health boards, the Secretary of State would not think it appropriate to impose a duty on local authorities, which have many other demands to meet, to devote their resources to a single programme in this way against a specific time limit. It is open to local authorities to take an active role in the provision and promotion of designated places.

I commend in particular the example of Grampian authority, which bought the premises at Albyn house for the Albyn House Association, and which is taking a share in the running costs together with the Scottish Office. That shows that local authorities can give assistance and support as necessary. However, we do not believe that the Secretary of State should impose a duty on local authorities to provide such facilities or to take away the discretion of local authorities as the new clause would.

As I have made clear on more than one occasion, I remain ready to examine any project which comes to me, and to fund it in exactly the same way as the Albyn house project. Anyone who doubts whether projects in his local area may be successful, should look at the success of that project in Aberdeen. I stressed that in a visit to Aberdeen only a fortnight ago. I made it clear in some interviews that other voluntary organisations and local authorities should look at the good example in Aberdeen and be prepared to come to me with projects. I would be extremely sympathetic about funding such projects.

Mr. Gerald Malone (Aberdeen, South): I wish to emphasise my hon. Friend's point. I remind him that, as a result of the project in Aberdeen, the number of offences of drunkenness in the city last year dropped to five. The project decriminalised the offence of drunkenness. More important, it saves substantial money and police time, and allows Grampian police to devote themselves to other activities. I hope that my hon. Friend will always bear that cost-effective argument in mind.

Mr. MacKay: It may put the figure of five drunkenness offences in an even more dramatic context, if I say that my hon. and learned Friend the Solicitor-General for Scotland pointed out that there were 235 offences of drunkenness in 1983 in Aberdeen. Therefore, there has been a dramatic reduction in the number of cases of drunkenness in Aberdeen.

If the new clauses have done nothing else, they have allowed us to stress to local authorities and voluntary organisations how successful Albyn house has been, and allowed me to say if projects come before me, I shall certainly look at them as sympathetically as possible with a view to funding them.

Mr. William McKelvey (Kilmarnock and Loudon): I welcome the fact that the Minister will be sympathetic to cash funding such projects. However, he should go further. Does he agree that if he applied the same pressure and propaganda as he did when he tried to privatise certain

[Mr. William McKelvey]

elements in the National Health Service, and if he brought it to the attention of authorities that money was available, some authorities may accept his offer?

Mr. MacKay: I shall not go down the highways of the National Health Service, but use the opportunity to say that I hope that if authorities have not considered the matter—I believe that they will have considered it—they should look at the example of Albyn house in Aberdeen and be prepared, either themselves or with voluntary organisations, to devise projects to undertake the same sort of work in other parts of Scotland.

Although I am extremely sympathetic to the aims of the hon. Member for Cathcart, I consider that the prescriptions in the new clauses would not be helpful. I ask the House to reject the new clauses. However, I stress that we stand ready to help with projects that come to us from the voluntary sector and local government.

Mr. Harry Ewing (Falkirk, East): I commend my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) for tabling the two new clauses and for giving the Under-Secretary of State the opportunity to tell the House and, through it, the people of Scotland, that no Scottish local authority, apart from Grampian region, has submitted a scheme and had it considered. I take it that the only scheme to be submitted was the Aberdeen one, which was approved, and that no other scheme has been submitted and turned down by the Minister. It is important that we have that on the record.

It is equally important that we have on the record the Minister's commitment that if local authorities submit schemes, whether joint-funded schemes through the health boards and the social work departments of regional councils or otherwise, he will agree to part-fund those schemes. I am fairly certain that one of the inhibitions on the regional authorities during the past four years has been the distinct suggestion from New St. Andrew's house that, no matter what is suggested, no money will be made available for it. That position has been slightly changed today by the Minister's commitment to fund such schemes.

I shall do my best to encourage the regional social work departments and the area health boards because they also have a part to play. The hon. Member for Aberdeen, South (Mr. Malone) pointed out that there were savings to be made in police and court time. I am absolutely certain that there will also be savings to be made in the Health Service. They may be more long-term, but there will be savings. I shall certainly want to do all that I can to encourage Scottish local authorities and health boards to submit schemes on the understanding that the Minister gave today, that the schemes will be part-funded by the Scottish Office.

Mr. McKelvey: They should be 100 per cent funded.

Mr. MacKay *indicated dissent.*

4.30 pm

Mr. Ewing: My hon. Friend the Member for Kilmarnock and Loudoun (Mr. McKelvey) may say that, but the Minister is shaking his head in disagreement. I am disappointed that no other schemes have been submitted. The Minister said that we were talking about a local problem. I was interested in the intervention of the right hon. Member for the Western Isles (Mr. Stewart) and in his reference to occasional drunks. That reminded me of one of the great stories about the Western Isles. A boy said that he got drunk once a year—from February until October. I suppose that that is just occasionally drunk.

However, it is important that we should have the Minister's commitments on the record.

Mr. Wallace: The hon. Gentleman has referred to the Western Isles, but is he aware that, judging by the new clause, the Isles authorities are not expected to assume the statutory responsibility that would be imposed on the other areas? Was that a drafting error, or does the hon. Gentleman think that drunkenness does not exist in the Isles?

Mr. Ewing: I should prefer my hon. Friend the Member for Cathcart to answer for his own drafting. However, I do not want to delay the House, so I shall be brief. It is important to emphasise the points that the Minister has made and to put them on the record. We can then go ahead and encourage local authorities and health boards to submit joint-funded schemes. We are discussing a major and growing problem in Scotland. It is a problem all over western Europe and I do not single out Scotland for special attention. Nevertheless, today we are dealing with Scotland, and the problem is becoming more serious. We should try to do something about it.

Mr. Hirst: Because of my duties in Edinburgh in connection with the Parliamentary Commission, I was denied the opportunity to speak very often in Committee. Accordingly, I welcome this opportunity to make a short speech today and, in particular, to respond to the comments of the hon. Member for Glasgow, Cathcart, (Mr. Maxton) about the DHSS resettlement unit at Bishopbriggs, in my constituency. That unit is under threat of closure.

I welcome the perhaps accidental presence of the Minister responsible for health and social work, as I have made urgent and vigorous representations to him on this issue. I hope that he will be able to deal with my remarks. It must be right that special centres are made available to those who suffer from chronic alcoholism. It cannot be a sensible use of police resources to have policemen locking up drunks and taking them to court in the morning, or to have justices having to send them to gaol for 14 days or imposing a small fine.

The decriminalisation of alcoholism must surely be one of the social advances that the 1980s will see, and detoxification centres along the lines of the successful experiment at Albyn house in Aberdeen are clearly the answer. Indeed, my hon. Friend the Member for Aberdeen, South, (Mr. Malone) has already mentioned that. But what distinguishes Conservative Members from Opposition Members is that we recognise that resources are limited. Given that that is so, I make a powerful plea in support of the principle of detoxification centres. But until they can be put into place, I should like to see the facility at Bishopbriggs retained. Its premature closure would undoubtedly be folly, and it would deny the west of Scotland an essential safety net for those who suffer from chronic alcoholism.

That facility fulfils a vital role. Not all of those who use it are alcoholics, although many have alcohol-related problems. On my first visit to the resettlement unit, the staff were engaged in nursing one of the inmates through

an alcoholic stupor. It is a tribute to their skills that the inmate did not need to be taken to hospital for that rather specialised medical treatment.

Although the resettlement unit does not have as its basic purpose the role of a detoxification centre, it provides a facility in the community where the chronic alcoholic can be given a chance to try to beat the problem. At present, it is highly questionable whether alternative facilities exist within the community in west central Scotland, and it would be a retrograde step if that important facility at Bishopbriggs in my constituency — whose work was greatly praised during a recent visit by my hon. Friend the Under-Secretary of State—closed.

I was delighted to hear my hon. Friend the Minister say that he would do his best to try to make facilities and resources available to provide detoxification centres. Perhaps he will turn his attention next to west central Scotland where we traditionally have a serious alcohol problem. The community's resources might be best employed in providing a detoxification centre.

Mr. Robert Maclennan (Caithness and Sutherland): The hon. Member for Glasgow, Cathcart (Mr. Maxton) has served a very useful purpose in raising this important issue again. The Minister did not dispose of his argument by saying that the Government had issued circulars since amendments were first moved in 1980. Whatever circulars may have been issued, we do not have the sort of institutions that the hon. Member for Cathcart wants, and which are supported by hon. Members on both sides of the House.

It is quite plain that it is not enough for central Government to exhort local authorities to do something. Local authorities and social work departmens are hard pressed to meet existing commitments, and they will not feel able to embark upon expenditure on new institutions, regardless of whether they are backing the initiatives of private organisations or trusts or backing their own projects, unless the Government can go much further than the Minister went today. He said only that he would look sympathetically at applications for assistance.

Can the Minister be more specific and precise? He shook his head negatively when the hon. Member for Kilmarnock and Loudoun (Mr. McKelvey) suggested that the Government should meet 100 per cent. of the expenditure of such institutions. However, the Minister has not clarified what he means by looking sympathetically. Can he go further than that? If he is genuinely trying to signal to local authorities a change of direction, and if he is saying that the Government are prepared to give higher priority to expenditure on such centres, we welcome that and will do our best to persuade our local authorities about the importance of the issue. However, it is not good enough for the Minister to say that he will look at the matter sympathetically and will wait for these initiatives to be taken. We have waited too long.

Mr. Maxton: I must say that I found the Minister's reply disappointing. In the past five years, what has happened about the decriminalisation of drunkenness? Everybody admits that the experiment in Aberdeen has been a great success and has worked marvellously. Only five people have been charged with drunkenness in the past 12 months. That is a marvellous record and shows that such facilities work. But why do we not have them in the rest of Scotland? It is not good enough for the Minister to say that he is encouraging local authorities. Does that mean that he has not been encouraging them during the past five years and that he has not made it clear to them that he is prepared to give them resources? On the other hand, if he has been encouraging local authorities, what response has he had from them?

I know that Fred Edwards, the social work director for Strathclyde region, is as committed to this idea as the chief constable of Strathclyde, Sir Patrick Hamill. If both they and Strathclyde regional council are committed to the idea, why has nothing been done? The answer is, as the hon. Member for Caithness and Sutherland (Mr. Maclennan) has said, that local authorities are already so strapped for money that they are having to cut existing facilities. Therefore, unless the Minister is prepared to finance such schemes 100 per cent., and to place a statutory obligation on local authorities to provide them, they will not be provided. Local authorities simply do not have the resources.

We all know that this issue does not necessarily arouse great sympathy among the general public. Many people do not have much sympathy for those who have serious drinking problems or for the down-and-outs of our society. Consequently, it is not always easy for local authorities to switch resources from one area — such as children's homes, old folks' homes or sheltered housing — into another. A new commitment and 100 per cent. funding by the Government are needed.

Mr. Malone: Despite the fact that it is difficult to provide funds for this purpose, Grampian regional council has managed to do it, yet it has one of the lowest regional rates in Scotland. Might the fact that this council has been able to provide such funds have something to do with the fact that it is Conservative-controlled?

Mr. Robert Hughes *rose—*

Mr. Maxton: Before giving way to my hon. Friend, I shall give a simple answer to that question: no.

Mr. Hughes: I very much regret that the hon. Member for Aberdeen, South (Mr. Malone) has introduced a purely partisan political note into the debate. I pay tribute to what is being done by the Grampian regional council, but there are many other things that the council ought to be doing. The fact that it has set a low rate does not excuse it, just because on this occasion it has done something good, from doing other things.

Mr. Maxton: Grampian regional council is to be congratulated, but I do not believe that the hon. Member for Aberdeen, South can deny that Strathclyde regional council has to deal with far greater problems, caused by multiple deprivation, than those which have to be dealt with by the Grampian regional council. Owing to limited and declining Government grants, Strathclyde regional council faces great difficulties. New resources must be provided by the Government. If they genuinely believe in the decriminalisation of cases involving people who are drunk and disorderly, there must be a much greater Government commitment to dealing with the problem.

I accept that, as was pointed out by the hon. Member for Orkney and Shetland, (Mr. Wallace), the new clause is faulty. Therefore, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 3

Police Complaints Panel

(a) There shall be established a body known as the Police Complaints Panel for Scotland which shall consist of not less than 3 members appointed by the Secretary of State.

(b) It shall be the duty of each Chief Constable in Scotland to report all complaints against the police by members of the public to the Panel.

(c) Each complaint in the first instance, shall be investigated by the Deputy Chief Constable, although the complainant shall be informed that he may exercise his right to complain directly to the Panel.

(d) In cases where the matter is not referred to the Procurator Fiscal or is not subject to internal disciplinary action, the case shall be reported in detail to the Panel.

(e) If on investigation it considers that action should have been taken it may advise and if necessary direct, the Deputy Chief Constable to take whatever actions it considers necessary.

(f) The Deputy Chief Constable must comply with such a direction.'.—*[Mr. Maxton.]*

Brought up, and read the First time.

Mr. Maxton: I beg to move, That the clause be read a Second time.

I have to make it clear from the outset that this new clause was put down to allow the House to debate again, in Scottish terms, the need for a police complaints procedure. When I went to the Clerk of the House to put down an amendment to the police complaints procedure, I took with me a copy of the Bill which my right hon. Friend the Member for Glasgow, Govan (Mr. Millan) introduced when he was Secretary of State for Scotland but for which he could not obtain the support of the Liberal party and the House. Therefore, it was withdrawn. The Clerk of the House said, probably quite rightly, that to put down a Bill as a new clause was not within the rules. He therefore asked me to truncate it, and that is exactly what I have done. The new clause lays down the principles which were contained in the Bill. I accept that on its own it is insufficient to become law. A commitment would be needed that the Government accept the principle, and they would then have to introduce a new clause at a later stage.

4.45 pm

It is important that the principle of a police complaints procedure in Scotland should be established. This matter was raised during the passage of what is now the Criminal Justice (Scotland) Act 1980. Many hon. Members said that they did not like the new clauses relating to detention or the new powers of stop and search. We still do not like those powers. However, they would be less abhorrent if there were some means by which the matter could be considered by a body other than the police. If a policeman steps out of line and a complaint is made about his actions by a member of the public, there ought to be some means by which the complaint can be looked at independently of the police.

Complaints of this nature now go to the deputy chief constable, and when it is alleged that a criminal offence has been committed the normal practice is for the complaint to be sent to the procurator fiscal. However, those who make complaints are interviewed by the police before the matter is sent to the procurator fiscal, and in some cases the complaint is withdrawn. In other cases there is need for a disciplinary procedure because policemen have not acted within police rules. Therefore, it is essential for those cases to be investigated by a body that is independent of the police.

This is not, as is so often alleged, meant to be an attack upon the police, but the police are unbelievably touchy about it. I believe that 99·9 per cent. of Scotland's policemen do their job well, obey the rules and often have to carry out their work in very difficult circumstances. However, there are those who do not operate within the rules, and it is in the interests not only of the public but of the police that the investigation of those cases should be handled by a body that is independent of the police.

I have never understood why chief constables and the Police Federation are so opposed to the setting up of an independent body. The members of the inquiry would be appointed, not by the National Council of Civil Liberties or by the Scottish Council of Civil Liberties, but by the Secretary of State. They would not necessarily take the side of the complainant. As sensible people, they would take an objective view of the matter, which would be in the interests of the police. The argument that has always been advanced against having a police complaints procedure in Scotland is that Scotland has an independent prosecution system, whereas prosecution in England and Wales is a matter for the police. It is argued that because the procurator fiscal is the prosecutor there is no need for a police complaints procedure in Scotland. However, an independent prosecution procedure is to be introduced in England and Wales, but the police complaints procedure will not be abolished. On the contrary, it is to be strengthened. The Home Office believes that an independent prosecution system and a police complaints procedure should go hand in hand in England and Wales. If that is so in England and Wales, why on earth is it not so in Scotland, so that when complaints were made by the public about the police they would feel that their complaints had been properly investigated? It would also mean that the public would have greater respect for the police. Because of the few "bad eggs", that is not always the case now. I commend the new clause to the House.

Mr. Norman Buchan (Paisley, South): I am pleased to be able to take part in the debate. I congratulate my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) on the new clause. I remember vividly our debate on what is now the Criminal Justice (Scotland) Act 1980. Indeed, it was the passing of that Act that makes this measure more necessary then ever. I am sorry to hear that an attempt to introduce it in a properly structured piece of legislation was prevented because of the Liberal party's cold feet.

We now have an opportunity to do two things: first, we can look back on that Act, which considerably increased police powers; secondly, we can look back at the events of the past year and a half in Britain. It would be wrong to ignore the nature of the disputes on the picket line over that period and the behaviour of some police.

It is fortunate that England and Wales have a police procedure which prevented some of the community anger. Anyone who has been to the coalfields of England will be aware of not just the picket line and miners' anger but the community anger about some of the events that took place. Nevertheless, it would be interesting to know how many complaints were proceeded with. It would be interesting to know how many complaints were made in Scotland over

the past year and a half. I recognise that the aggro in Scotland was less than it was in England and Wales, but how many complaints were dealt with successfully?

That is part of the background that has worried some of us. I never believed that I would switch on a television set and see some of the events that we saw at Orgreave. The veneer in which we have taken pride in the past is not so deep as we might have hoped.

I agree entirely with my hon. Friend, and I speak as a former Minister in charge of law and order, and therefore the police, in Scotland. The best security for the police against unjustified complaints is a police procedure which is above question to deal with complaints.

We have been told that Scotland does not need such a procedure because of the existence of the procurator fiscal structure. We were told in 1980 that there was insufficient money, but now we are told that the legal structure makes it unnecessary. That is not the case. The only way in which we can be sure that the community will be satisfied is by a structure, independent of the police force, in the form of a panel to which people can have recourse when necessary. Without that, even the procurator fiscal does not provide the necessary knowledge that complaints have been fully investigated.

We all know from letters that we receive that people make complaints about police behaviour, or indeed, about matters which do not effect the police, which the procurator fiscal does not take up. The suggestion is that a secret organisation has kept things below the counter. The only way to solve that problem is to ensure that there is open discussion in which people can have some faith.

Moving away from the events of the past year and a half and the anxieties to which they have given rise, one must look at the 1980 Act, which considerably extended police powers of search, investigation and arrest. Complaints often arise from aggro at the time of arrest, holding or search. It is often difficult to establish the truth. It is often easy to make undisciplined and sometimes unfounded accusations. Such accusations cannot satisfactorily be dealt with if the people who make them are informed that there will be an investigation through the same police force that gave rise to the complaints in the first place. There is no comfort in the fact that a deputy chief constable, or someone at whatever level, will come from another area to investigate. To the people the police are the police, and that is all there is to it.

I want to underline strongly my hon. Friend's points. Not least of the aspects with which we are concerned is to ensure that, like Caesar's wife, the police are above suspicion if an accusation is rejected.

There is no doubt that there has been a decline in mutual trust, particularly between young people and the police, such as has occurred so bitterly in the mining communities. I should never have believed that those to whom I have spoken in, for example, Yorkshire would have spoken about the police in the way in which they have done. Clearly, trust has broken down, yet we do not even have the comfort of a separate complaints procedure to deal with matters.

Even if the Minister were to reject the argument that there is a major case, in the sense of a mass of accusations, and even if he were satisfied with the present procedures, although I do not see how he can be, there is a case for re-establishing the mutual trust that once existed. That can come only with an independent police complaints panel, as outlined by my hon. Friend.

My hon. Friend has been apologetic about the nature of the new clause. It is simplified but it is not too bad a structure, and it is one upon which we can build. I hope that the Minister will accept it in principle and give us the comfort of knowing that the Government intend to treat the matter seriously and come forward with legislation. I am sure that my hon. Friends will give him every support to get such a measure through quickly.

Sir Hector Monro (Dumfries): It is extremely valuable that the hon. Members for Glasgow, Cathcart (Mr. Maxton) and for Paisley, South (Mr. Buchan) have given us the opportunity to discuss this important subject. I speak not from any practical knowledge of events of the past year, nor, indeed, would I want to do so, because that would introduce a different issue from that of complaints generally with which we want to deal.

I have been chairman of a joint police committee in Scotland. Therefore, I am entirely supportive of the outstanding work that the police do day by day, week by week, year by year throughout Britain. But I must accept that every now and again constituents come to one's surgery with what, in their view, are complaints against the police, whether the result of a specific action or just general harassment of their lives. One may be able to deal with their case, perhaps by asking them to think again, but at the end of the day their only redress is the present procedure. The procedure is carried out effectively and fairly by the chief of police, or whoever he may depute, but when the result of the inquiry is known the constituent concerned almost inevitably feels aggrieved that his case has been tried by the police. The nub of the argument is whether that is fair justice. Should a complainant go away with a feeling that he has had hard justice?

I know that we have the satisfactory procurator fiscal system, and I am glad that England is falling into line with that procedure, but it is worth making the point, so fairly made by the hon. Member for Paisley, South, that it might well be in the best interests of the police if an inquiry were carried out by an independent body. Ninety times out of 100—perhaps 99 times out of 100—police officers will be cleared if they have carried out their duties within the regulations. If that is so, the inquiry will exonerate them; but, more importantly, the independence of the inquiry, clear of a police officer as "judge", will mean that those who complain are much more satisfied. I hope that when my hon. Friend replies he will say that he intends to give this matter more detailed consideration. If his consultations produce a view similar to mine, I hope that it will be thought worth introducing the necessary legislation.

This is not in any way a criticism of the police, for whom I have the highest regard. It would be in their interest to be clear of criticism from the public. Any subsequent inquiry would be seen to be independent, so the complainant would have no reason to continue to feel aggrieved.

5 pm

Mr. Wallace: I welcome the opportunity provided by the hon. Member for Glasgow, Cathcart (Mr. Maxton) to debate this important issue. He said that when the right hon. Member for Glasgow, Govan (Mr. Millan) was Secretary of State he introduced a Bill that could not proceed because it was blocked by the Lib-Lab agreement. I was not a Member of the House at that time, so I do not know why that happened. I assure the hon. Gentleman that

[Mr. Wallace]

it has always been the policy of the Liberal party, both in Scotland and in England, that there should be an independent police complaints procedure. I can only assume that the Bill fell on questions of detail.

As the hon. Member for Dumfries (Sir H. Monro) said, all hon. Members receive complaints from constituents about police handling of certain cases. Such complaints often relate to cases in which people feel the police should have intervened, but did not. Although hon. Members discuss these cases with chief constables in great detail, and are subsequently satisfied that the police have acted properly, nevertheless our constituents are unhappy that the matter has been investigated by the police—even though the investigators are independent of the police officers involved in the original incident. They believe that, to some extent, the police protect their own. Therefore, it is important for the sake of the police to have an independent body to investigate complaints.

If there is to be an independent police complaints panel, there should also be an independent force to investigate the complaints. I do not think that the hon. Member for Cathcart is suggesting that the three members of the panel should carry out the investigation. My hon. and learned Friend the Member for Montgomery (Mr. Carlile) put forward that view during the passage of the Police and Criminal Evidence Act, and I understand that that view was supported by the Police Federation. The Government said that it was not possible because of lack of manpower.

If we apply our minds to the problem, we will find that it is not as great as might initially have been perceived. Such an independent force could comprise ex-policemen and others who have the necessary skills and qualities for investigative work—for example, former Customs and Excise officers. If we accept the proposal in principle, I am sure that there will be no difficulty in finding people for the investigatory force. That will supplement the important independent nature of the panel.

It is useful to have such a debate and I look forward to the Minister's reply. I hope that he will be positive. If the new clause is not an acceptable way to proceed, I hope that he will outline the positive steps that the Government will take to provide for a more independent investigation of police complaints in Scotland. We must remember that England and Wales have made significant advances during the past two years.

Mr. Robert Hughes: I welcome the new clause tabled by my hon. Friends the Members for Glasgow, Cathcart (Mr. Maxton) and for Paisley, South (Mr. Buchan). I am especially pleased that it has attracted a great deal of support from the hon. Member for Dumfries (Sir H. Monro). It also received a cautious welcome in principle—although there was some criticism of the detail—from the hon. Member for Orkney and Shetland (Mr. Wallace). Indeed, there appears to be an all-party consensus that we need some form of independent investigation of the police.

Like other hon. Members, I wish to state clearly that I have a great deal of respect for the police. Leaving aside the special tension of the past 12 months, it is nevertheless true that there are now greater tensions in society than for many a long day. The police are often at the sharp end when trying to deal with social tensions. It is in the general interest that there should be confidence between the public and the police. When I was a boy, policemen were represented not, perhaps, as PC Plods but as nice, couthy characters, very friendly, who could be approached on all sorts of matters. If one sometimes got into difficulty, the policement might administer a clip on the ear and say, "Go home."

The relationship between the police and the public today is quite different from when I was a boy. I have experience of the police force both as a former member of Aberdeen city council and as a Member of the House. Successive chief constables have always said, "We do not want any bad eggs in the police force because that is not in our interests. We want to root them out. If that person is so bad that he should not be in the police force, we will get rid of him. If it is someone who has difficulty relating to the public, we will deal with it by training, discussion and identifying particular problems." Chief constables certainly believe that for the good of both the police and the public no member of the police force should be anti-social, in the widest definition.

During my 15 years in the House I have not had many complaints about police misbehaviour or malpractice, although I expect I get my fair share. I am not anxious to encourage that. Some of the complaints have been justified. I shall not today, as I have done previously, go into detail because I do not want to identify policemen who have been disciplined. There is no point in raking up matters to their discredit. The worst case that I have had to take up with the chief constable—an allegation that neither he nor I could believe could possibly be true—was found to hold some truth following an investigation. Three policemen had to leave the force, and they were shown the door with great resolution. That happened more than 10 years ago, but it shows that the police will take action when serious cases are proved.

This debate is not an exercise in police bashing—it is an attempt to restore the previous tradition of good relationships between the police and the public. All hon. Members who have spoken have said that it would benefit the police to have an independent investigation. I have had discussions and disagreements with trade union representatives of the police. I know that when a letter from me arrives on the desk of the chief constable and is fed through the system, some members of the police force are not exactly pleased. Some of the things that I understand have been said about me would not bear repeating in the House. The police should understand that we are putting forward this proposal not only because of the awkward squad—people who make frivolous or malicious allegations—but because we believe it will be of as much benefit to the police as to the public.

When a complaint has been substantiated and disciplinary action has been taken, or if a case goes to the procurator fiscal and a policeman is prosecuted and found guilty, people are not dissatisfied with the way in which it has been handled. The problem arises when someone makes a complaint, which is investigated by the police, who say that there is no substance in it, that there was a misunderstanding, or that it was the fault of the complainant for being aggressive either verbally or physically. In such cases people say, "We are not satisfied that the matter has been given a proper hearing."

Many of us who have been concerned for a long time with the complexities of society and the different ways in which authority, in its broadest definition, impinges on the lives of ordinary people, have been arguing for a wider complaints procedure. Largely as a result of such debates,

we now have a Parliamentary Commissioner who can independently investigate complaints against the state. I know that there are limitations on his powers, but there is at least a procedure whereby someone aggrieved about a decision of public administration can have his complaint investigated thoroughly.

The same is true of the National Health Service, although its commissioner is also limited in the sense that he cannot investigate matters of clinical judgment. Some of us may argue about that, but I realise that this is not the place to do it. Nevertheless, in general, the Health Service Commissioner system works, and people understand that it is another attempt to protect the ordinary citizen from big bureaucracy. There is also a Local Government Commissioner. Many of us know from experience how local government has grown in size and complexity. It deals with so many matters that impinge on ordinary people's lives that we decided — it was generally accepted — that we needed an independent complaints procedure so that an individual might have his grievances considered carefully. The Local Government Commissioner system also works extremely well.

In some cases, the same person may do the job of Parliamentary Commissioner, Health Service Commissioner and Local Government Commissioner, but they are three separate offices. Their one failing is that they have no power to compel an offending authority to accept their recommendations and remedy the grievances. In the vast majority of cases, when a complaint is investigated, the commissioner recommends a course of action and the authorities carry out those recommendations. But if they decide to be obdurate and say, "We will not accept this," nothing can be done about it.

One of the special attractions of new clause 3 is paragraph *(f)*, which states that the decision of the panel must be complied with by the deputy chief constable. That must be right. I have always believed that if an authority is investigated and found to be at fault, not necessarily because it acted deliberately but because of maladministration or error, the recommendations of the panel should be binding. Therefore, if it is found that a complaint against the police is justified and the panel recommends some action, the police should comply with it.

Public confidence in the police would be greatly enhanced if we had an independent complaints procedure. It is is long overdue. Others in the House may have a better memory of events than I, but I recollect that when the idea of a police complaints panel or an independent investigating system was first discussed in the House, it caused great controversy inside and among parties. The idea was welcomed by no one. Now there is agreement in almost all parties and, although I have no authority for saying this, I believe that we have gone through this argument so often and examined its merits with such care that even the chief constables would not bitterly oppose it. I am still not sure whether representatives of police officers would accept it, but gradually even they are beginning to understand that it is in their best interests. They are there to serve the public, not the state, and the public will be best served by a good police-public relationship and by enhancing public confidence in the police.

I hope that the Minister will show his approval of the principle and accept it, or ensure that amendments are introduced in the other place. The Bill introduced by my right hon. Friend the Member for Govan has probably stood the test of time and would be a good way of going about it. The Minister will have the full support of the House if he does so. I commend the new clause to the House.

5.15 pm

Mr. Robert Maclennan (Caithness and Sutherland): The principle that any grievance should be independently investigated is increasingly accepted in society. The hon. Member for Aberdeen, North (Mr. Hughes) was right to refer to the Parliamentary Commissioner, the Health Service Commissioner and the Local Government Commissioner, but the principle has been extended beyond that. In Scotland, it has been accepted in relation to complaints against the legal profession, and Mrs. Joan MacIntosh's role as an independent ombudsman to whom the public can refer complaints is a recognition that the principle is constantly being extended. In the private sector, it has been extended to insurance, so that we now have the independent investigation of complaints against insurance companies. The principle is almost beyond party controversy. The only defence against extending it to the police that has been mounted by the Government is that, to some extent, Scotland already has it with the independent procurator fiscal system.

However, in my constituency experience, the procurator fiscal system has not been wholly satisfactory in meeting the perceived need for an independent investigatory power. First, several complaints do not raise issues of criminal behaviour and are therefore not appropriate to be referred by the chief constable to the procurator fiscal. Many relatively nit-picking grievances against the police, and certainly issues of discipline, can give rise to the greatest sense of unfairness. That is not new.

Indeed, the most celebrated case of a complaint against the police not being satisfied by the existing system occurred in my constituency. My predecessor, the late Sir David Robertson, raised in the House the famous Waters case, which led eventually to the setting up of a public inquiry. The fact that it was treated in such an inflated manner caused considerable damage to the police force. It was a serious complaint, but not so serious as to require such a massive response. I was told subsequently that it had even affected police recruiting.

That is why I believe, with others who have spoken, that it is in the interests of the police to accept the desirability of an independent element in the investigation of complaints against them. I favour an independent element, not a wholly independent system of investigation and judgment, because I believe that if the police complaints system is to command the confidence of the public, it must be effective. To be effective, it will require the complete and wholehearted co-operation of the police in conducting the investigations. It is not wholly practical to establish a force to police the police.

Although I concur with the view that there must be an independent element in the investigation, as well as in the panel to which the new clause refers, we must recognise that if investigations are to be carried out in depth and effectively, and if a wall of silence is not to surround the complaint, the investigating body must command the confidence and support of the police and be recognised as performing a function which the police, in their professional interests, would wish to be properly discharged.

[Mr. Robert Maclennan]

Like others, I believe that the police do a remarkably good job in Scotland. Few complaints are made, considering the number of times that the police are in contact with the public. The police are the last defence for the citizen against the breakdown of the rule of law and sometimes they have to use force or make a measured response to unruly behaviour. That is bound to lead to complaints on some occasions.

The consensus on the subject has moved considerably since we last debated it in the House when we considered the Criminal Justice Bill. This week, a new police complaints body has been set up in England and Parliament is considering the introduction of an independent prosecution service for England.

In England the Police Federation is calling for a totally independent system of investigating complaints against the police. That call has not yet been echoed in Scotland, but thoughtful policemen increasingly are of the view that there is much to be said for involving outsiders in examining complaints against the police. The new clause provides us with a valuable opportunity to raise the issues and for the Government to make a positive response.

The hon. Member for Dumfries (Sir H. Monro) has direct experience as chairman of a police authority and the Government cannot ignore his contribution. All political parties are clearly of the view that the time has come for the Government to make a move. We seek, not a rush into uncharted territory, but a considered and careful response from the Government.

Mr. Ewing: After what has been said today it will do the Minister no good if he merely digs in his heels and says that he is satisfied with the present position which has prevailed for some time. After the contribution by the hon. Member for Dumfries (Sir H. Monro), the Minister must now appreciate the widespread agreement that there must be an independent element in judging complaints against the police.

My hon. Friend the Member for Aberdeen, North (Mr. Hughes) talked about respect for the police, but this issue is not about respect or disrespect for the police; it is about the public being confident that their complaints against the police will be fairly investigated and that the outcome of that investigation will be satisfactory to the complainant. The outcome might be different from that which is expected, but the complainant must be satisfied that his complaint has been properly and impartially investigated.

It is important to emphasise that chief constables should take no part in such investigations, because at the end of an investigation the chief constable is responsible for disposing of the case and determining any punishment.

I wish to set the record straight about what happened in 1978-79 when the Labour Government sought to introduce a Bill to deal with the problem. The Bill was never introduced. It was drafted and discussed across the parties, but that was under a minority Government and it was made clear that there was no majority in the House for enacting such legislation.

It is important that the Minister should understand the events which led to the drafting of that legislation. In Scotland the Police Advisory Board meets regularly and the Minister probably chairs it, as I did, from time to time. I took the matter to the Police Advisory Board and with the exception of the Police Federation and the Police Superintendents' Association, both of which are represented by statute on the board, a substantial majority was in favour of introducing such legislation. The board comprises people from all walks of life, such as James Scotland, the principal of Aberdeen college of education and a playwright.

Once the Police Federation and the Police Superintendents' Association realised that a majority of the board was in favour of such legislation and that the then Government were anxious to go ahead, they helped with the drafting. Whether they were reluctant to help is beside the point. The Police Federation represents officers up to the rank of inspector and the Police Superintendents' Association represents all ranks except assistant deputy chief constables and chief constables. It cannot be said that the police have always dug in their heels against independent investigations.

Talk about what happens in England clouds the Scottish issue. Comparing the English and Scottish systems does not help. The hon. Member for Caithness and Sutherland (Mr. Maclennan) mentioned the element of independent prosecution to be introduced in England, but in the past the police have prosecuted in their own cases.

Complaints against the police, which currently go to the procurator fiscal in Scotland, will continue to be referred to him even if we set up an independent element for investigating complaints against the police. It is important to emphasise that. The new clause is not an attempt to take away the reference to the procurator fiscal. I should not be in favour of it if it were. Cases that presently go to the procurator fiscal properly go to him.

We must consider the danger of double jeopardy. I would be the last person to approve a system that put police officers at risk of double jeopardy. No hon. Member who has contributed to the debate would favour such a system.

5.30 pm

The Labour Government's proposals, which were never put into a Bill, were that when a person was visited by a police officer after making a complaint he should not be asked whether he wanted to go ahead with the complaint but should merely choose whether he wanted the complaint investigated by the assistant chief constable—the existing arrangement—or by an independent panel. When the panel had investigated a matter, the complainant could not say that he was dissatisfied with the panel's decision and wanted the matter investigated by the assistant chief constable. We want to avoid that possibility and the new clause would avoid it.

The existing system of investigating complaints against the police could continue in parallel with an independent system. We should not dismiss that possibility. I hope that the Minister will not simply say that the Government are satisfied with the existing position.

I am sure that all hon. Members know of cases of constituents telling us that they want to make a complaint against the police. When we write to the deputy chief constable, he sends a chief superintendent — never anyone below that rank—who is always in uniform, to interview the person concerned, not about the complaint, but about whether he wants to pursue it. On many occasions I have had phone calls from desperate people —usually women—complaining about the police, and within two or three days they come back and tell me that they do not want to pursue the case. Subsequently, I have

received a letter from the assitant chief constable or a deputy chief constable telling me that the woman has been interviewed, has changed her mind and is satisfied.

Will the Minister give us a commitment to take this matter to the Police Advisory Board and bring forward proposals for an independent element in the investigation of complaints against the police? The independent element in investigations of complaints has spread far and wide. It already exists in the insurance industry, the legal profession, local government and the National Health Service.

We cannot be like ostriches and stick our heads in the sand and pretend that nothing has changed. Events have moved on, and there has never been a better time for Ministers to encourage the people of Scotland by assuring them that there will be a thorough examination of the matter, with the possibility of introducing a Bill. I should prefer a Bill, rather than the new clause, so that we could set up a detailed and properly thought out system to give the Scottish people confidence that their complaints will be properly examined.

The police could avoid much ill will if, now and again, chief constables admitted that their officers were wrong and sent letters of apology. In 14 years of representing constituencies throughout the central region, I have yet to receive a letter of apology from the police, even in cases where it was obvious to the blind that the police were in the wrong. Part of the problem is that chief constables always seem to think that their officers can do no wrong. That is not true in any walk of life.

Mr. Robert Hughes: My experience is different from that of my hon. Friend. When the police have found that a complaint was justified, the chief constable has written to me and often written personally to the complainant. I should not like it to be thought that the position described by my hon. Friend is universal.

Mr. Ewing: I am grateful to my hon. Friend, because, if his experience is different, I should not like it to be thought that what I have said about chief constables applies throughout Scotland. However, my experience makes me wish that, just now and again, chief constables would admit that their officers were wrong and would apologise. I leave it at that.

I hope that the Minister does not give us a head-in-the-sand reply, but will assure the people of Scotland that this matter will be dealt with in a way that its importance deserves.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I apologise for arriving at such a late stage in the debate. I shall be brief and raise only one point. I should have preferred to be able to give the Minister notice, but the matter relates to confidence in the police and to the independent investigation of complaints.

I know that the Minister is aware of the circumstances surrounding the matter that concerns me, because he and the Secretary of State were courteous enough to arrange a meeting with me and my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) to discuss the matter.

As a preamble, I stress that public confidence in the police is extremely important. I go out of my way not to encourage casual or easy criticism of the police or unnecessary complaints. However, I pass on genuine complaints and pursue them as vigorously as I can within the existing structure, though I feel strongly that an independent element iñ the investigation of complaints is necessary.

Hon. Members will recall the controversy and delay that surrounded the publication two years ago of the Scottish Office report on sexual assaults. It appears—my hon. Friend the Member for Cathcart can confirm this—that part of the problem was that, following a heated meeting at the end of March 1983, it appears that an attempt was made by senior officers of Strathclyde police, including the deputy chief constable, to discredit the Scottish Office research unit that had produced the report.

That serious allegation was made to my hon. Friend the Member for Cathcart and me by senior officials of the Scottish Office. The conclusions reached by the research officers in their report—about the treatment of victims and about other aspects—were challenged by the police. At the end of the day, when it became increasingly clear that the points ut forward by the deputy chief constable and senior police officers could not be substantiated, an internal inquiry was carried out by the chief constable. There was no independent inquiry and no opportunity for an investigation outwith the context of the police.

The result of that internal inquiry was simply a letter of apology—admittedly, it was a clear admission that there was nothing to substantiate the allegations against the researchers — and internal discipline by the chief constable, which amounted to a personal reprimand of the senior police officers concerned, although we are not sure whether that included the deputy chief constable. My hon. Friend the Member for Cathcart and I were assured by the chief constable that none of the detail of that internal discipline will appear on the records of the police officers concerned.

Is it not strange that an internal inquiry resulted in such a mild reprimand, when a serious allegation had been made, challenging the integrity of reputable Scottish Office researchers and attempting to stop the publication of a Scottish Office report?

That must undermine confidence in the police. Accordingly, I have today tabled a question for written answer urging that a person be appointed to carry out an independent inquiry into the allegations. There clearly was a heated dispute between senior Scottish Office officials and the Strathclyde police.

Continued co-operation between the police and the Scottish Office is important. Research projects are taking place now, and there will be future research projects, and co-operation is necessary in those undertakings. The Scottish Office and Members of Parliament must feel sure that there will not be a repetition of that type of case, with the police, on the flimsiest of evidence—because they do not like the conclusion of a report—challenging the integrity of researchers.

I hope that the Under-Secretary will agree that the least that should be done is to appoint an independent person —someone who has the confidence of the police and the Scottish Office—to carry out an inquiry, to report to the Secretary of State and to ensure that that report is published.

Mr. Tam Dalyell (Linlithgow): Having represented Bo'ness for the time when it was in Central region, I appreciate the significance of the point raised by my hon. Friend the Member for Falkirk, East (Mr. Ewing) in relation to his constituency.

[Mr. Tam Dalyell]

Having listened carefully to what my hon. Friend said, I wish to put on record my thanks to the West Lothian police for their endeavours in cases raised by me. In fact, I have no need to contact the chief constable other than in exceptional circumstances. I approach the chief superintendent, David Scott, who — because there is an understanding between us — sends an appropriate policeman, depending on the case, to find out what the trouble is and to get at the truth of the matter. My experience has been that the Lothian police have looked sensitively and sensibly into any point that I have raised. I may be naive about that, but I do not think so.

5.45 pm

The Parliamentary Under-Secretary of State for Scotland (Mr. Michael Ancram): I appreciated the remarks of the hon. Member for Linlithgow (Mr. Dalyell), as will the police, because while in this debate hon. Members have not sought to diminish confidence in the police, they will appreciate that the police often feel that a number of hon. Members are sometimes less than fair to them. That is why the remarks of the hon. Member for Linlithgow will be appreciated not only in his area but more widely.

The hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) said that he had not managed to give me notice of the point that he raised. Perhaps I should congratulate him on managing to raise this issue because, as he is aware, it was not the subject of a complaint made against the police at that stage. As he said, it related to a number of discrepancies between material seen by researchers and material available in the police office, and that was the matter under investigation. It was an internal investigation relating to three minor discrepancies only.

The hon. Gentleman will be aware that the reasons for the discrepancies were patent on looking at the various documents. They related—certainly in one instance, if I recall correctly—to the difference between what was effectively, on the one hand, a statement that had been taken down and recorded and, on the other, a precognition. I do not think that the hon. Gentleman suggested that those discrepancies were anything other than that.

The hon. Gentleman seemed to suggest that had the matter been dealt with in a different way, a different conclusion would have been reached. Having looked into the matter, having satisfied myself that the discrepancies were explainable, and the Scottish Office having received an apology from the chief constable, I believe that that is the end of the matter.

It was perhaps unfortunate that the matter arose at the same time as the police, as they legitimately can, were expressing their views on the substance of the report. Their views in that respect were not a matter for investigation, nor should they have been. They were reactions which the police were entitled to give us at that time.

In raising the matter, the hon. Gentleman has not provided any evidence or information to suggest that any further action requires to be taken. Indeed, I suspect that on reconsidering what he said, he will see that he has, in a sense, blown up a matter that has been dealt with effectively and to the satisfaction of all the parties concerned.

Mr. Foulkes: If the truth is as the Minister says—that there were only minor discrepancies in three reports, and he gave my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) and me an opportunity of reading those reports—how does he explain the fact that such a heated meeting took place at the end of March 1983—and both sides described it to us as heated—that there was then an attempt to substantiate the criticisms of Strathclyde police to the effect that the report should not be published; that there was then an internal inquiry by the chief constable, who told us that he put other things aside to carry out that inquiry; and that there followed a letter of apology and disciplinary action against senior police officers? Will the Minister explain the matter further, as the two issues do not seem to equate?

Mr. Ancram: I do not see in what way the hon. Gentleman says that they do not equate. Obviously, when there was a difference of opinion which had led to certain views being expressed, it was important for that difference to be sorted out. Under the procedures which were adopted, the differences were investigated, the discrepancies were discovered — as I said, they were patently explicable — and a letter of apology was then sent. I believe that that was the correct way to go about it, and the apology was accepted by the Scottish Office as a conclusion to the matter.

Hon. Members will recognise that we are going over well-trodden ground. As they have pointed out, the issues with which the new clause is concerned have been debated on a number of occasions over the years.

I appreciate what the hon. Member for Glasgow, Cathcart (Mr. Maxton) said, that he himself appreciated that his new clause, as drafted, was not capable of being sustained by the House, but that he saw this as an opportunity to debate the principles behind it. I concede the sincerity of the views that are held on both sides of the House on this matter. I do not think that I need to go into the details of the procedures in Scotland, because they have been gone over on many occasions, and were referred to by several hon. Members who spoke in the debate. However, let me say that there are two distinct strands. First, complaints from which a criminal offence may be inferred must, by law, be referred to the regional procurator fiscal for investigation. At present they amount to about 55 per cent. of all complaints dealt with, so that on average more than half and arguably the most serious complaints are already subject to independent scrutiny. I do not think that that will be disputed.

I was a little puzzled by the comments of the hon. Member for Paisley, South (Mr. Buchan), because I could not gather whether he was suggesting—I trust that he was not — that the system of procurator fiscal investigation was anything other than independent.

Mr. Buchan: The point that I was making was much more simple, but crucial. It is not enough for the law to be right. It has also to be seen to be right. I regret to say that most people would tend to regard even a reference to the procurator fiscal as no substitute for a known public panel such as is suggested in the new clause. People regard the procurator fiscal as in some way a part of the great mystery of the legal process. That is what I was dealing with, and that is the important matter to which the Minister should address his mind.

Mr. Ancram: The hon. Gentleman is raising far wider issues about the independence of the prosecution system in Scotland. If he wishes to suggest that the system is not

independent, he should establish his grounds more clearly. It is not only a matter of those particular complaints being investigated by the procurator fiscal. Where there is an inference of any criminal offence, it is required that the matter is considered by a Law Officer as well. Complaints can even go to the top of the Crown Office. I find it hard to accept from the hon. Gentleman that there is anything in this part of the system that he could regard as anything less than equitable and independent.

Mr. Buchan: I do not see how the Minister fails to understand this. Because he is part of the system, he thinks that the entire population of Scotland are part of the system. They are not. They do not know how it works. They know that there is a mystery and that there is a man called the procurator fiscal to whom the matter is sent and then discarded. That is all that they know. We are dealing with people who get into difficulties and who do not understand the mysteries of the legal trade. I know that the Conservative party is full of advocates and so on, but that is not very much to our comfort.

The Government must not hold that mystery to themselves. Why can they not establish an outside body or panel, with lay people of some intelligence, who are not involved in the mysterious apparatus of the procurator fiscal? That is what we are saying. Law and justice must not only be done, but be seen to be done, and be understood in the process of being done. That is not the case when the matter is referred to the procurator fiscal and, with respect to the Solicitor-General, even to a Law Officer, and then discarded. The system must be opened up, be seen, be understood and thereby be accepted.

Mr. Ancram: If the hon. Gentleman is saying that there is not enough understanding or information on how the system works, I shall deal with that in a moment. My hon. and learned Friend the Solicitor-General informs me that in all those cases a full letter of explanation of how the system works is sent to each person.

Dame Judith Hart (Clydesdale): Will the Minister give way?

Mr. Ancram: I shall give way in a moment, but hon. Members must allow me to develop my arguments a little.

Dame Judith Hart: It is a very important matter.

Mr. Ancram: Very well. I give way to the right hon. Lady.

Dame Judith Hart: This is a rather small but crucial point. If a Member of Parliament writes to the procurator fiscal raising some questions of doubt about particular cases, a letter comes back from a Law Officer saying that the Law Officer replies to all letters written to the procurator fiscal. There is no way that an individual can get a reply from a procurator fiscal. Even a Member of Parliament cannot get such a reply.

Mr. Ancram: It is important that we establish the basis of the complaint. I understood the hon. Member for Falkirk, East (Mr. Ewing) to say that it was his understanding of the new clause that it was in no way supposed either to duplicate or to replace the present procurator fiscal system because it was regarded as independent. If the right hon. Member for Clydesdale (Dame J. Hart) is saying that the difficulty is not whether it is independent, but that it is insufficiently understood, giving rise to a feeling that it is a part of the establishment so that people are suspicious of it, that is different from saying that as a system it is wrong because it is not acting independently.

I hope that the hon. Member for Paisley, South takes the same view as the hon. Member for Falkirk, East and, indeed, as the shadow Secretary of State for Scotland, the hon. Member for Glasgow, Garscadden (Mr. Dewar), to judge from the nods that he has been giving me. I understand that the new clause is not critical of that part of the complaints procedure.

Mr. Robert Hughes: We know that 55 per cent. of all complaints go to the procurator fiscal anyway, which is good. However, there is a difficulty. I know of a case that was raised well over 12 months ago. I shall not give the details of it, but each time I write to the chief constable to ask what is happening he says that the case is before the procurator fiscal and he is awaiting his reply. I do not know what the outcome will be, but I guarantee that if the procurator fiscal decides that it is not a case for prosecution, my constituent will feel that there has been a conspiracy, during which 12 months have elapsed. We are anxious to make it absolutely clear that the procurator fiscal is independent. How do we deal with the question that I have raised?

Mr. Ancram: I understand that the outcome is eventually made known, and the complaint may relate to the time that that might take. My hon. and learned Friend the Solicitor-General reminds me that in many of these cases there is a requirement to wait, for instance, for the outcome of another trial that might be taking place. Therefore, there are circumstances in which delays are inevitable. The hon. Gentleman was trying to make my speech for me, I shall not be drawn into that, except to say that I hope there is a general acceptance that the independent scrutiny is correct.

I referred to two strands. The second is complaints which imply that a disciplinary offence may have been committed, and which are investigated under the direction of the deputy chief constable of the force. Such investigations are undertaken by an investigating officer who is at least of the rank of inspector and wholly unconnected with the matter under investigation. Such complaints could cover matters such as discreditable conduct, neglect of duty and so on. In a sense, the hon. Member for Aberdeen, North (Mr. Hughes) strengthened that side of the system by suggesting that the police themselves are keen to root out what he called bad eggs. That is right. There is no incentive for them to maintain in the police force officers who, at the end of the day, will bring the police force into disrepute. Therefore, there is generally an impetus in that direction.

The hon. Member for Paisley, South asked particularly about complaints arising out of the miners' dispute last year. In reply to a written parliamentary question on 14 December 1984 I informed the hon. Member for Dunfermline, East (Mr. Brown):

> "I understand that 23 such complaints have been received by the police."—[*Official Report*, 14 December 1984; Vol. 69, c. 621.]

I do not have any more recent figures, but, given the date of that answer, it is unlikely that they are very much higher than that.

Mr. Buchan: Can the Minister tell us the outcome of the complaints?

Mr. Ancram: Without notice, I would not be able to do so. The hon. Gentleman asked a specific question about numbers. I hope that I have managed to answer that.

The real issue facing the House is whether the existing procedures are inadequate. Listening to the debate, it has been my impression that there are strong feelings—there have been in all the previous debates—but that there are no substantive facts to show that the system is working inadequately. The hon. Gentleman knows the view that has been taken by the Government on several occasions, not only in debate, but in written answers. My right hon. Friend the Secretary of State said on 15 December 1983 that we had looked carefully at the matter, and

"concluded that no case has been made out for introducing radical changes to the present arrangements." — [*Official Report*, 15 December 1983; Vol. 50, c. 530.]

I remind the House that the Home Affairs Committee report, House of Commons No. 98-I of 1982-83, did not point to any shortcomings in the Scottish system. Although the Committee concentrated on arrangements in England and Wales, it took evidence from Scottish witnesses and had something to say about Scottish procedures. Paragraph 42 states:

"A system of local Crown Prosecutors modelled on the Procurators Fiscal would provide the most promising framework for the investigation of complaints against the police, and we would favour this solution from among the various options we have considered."

6 pm

Paragraph 43 continues:

"If we could be certain of the establishment of a Crown Prosecutor system in England and Wales within say, the next five years, we would not find it necessary to suggest major alterations in police complaints procedures in the meanwhile."

I think that that is a fair commendation of the present system in Scotland which we cannot afford to ignore today.

Mr. Dewar: Does the Minister accept that those comments related to matters currently referred to the procurator fiscal? The hon. Gentleman has understandably made considerable play of the fact that the new clause refers to the important but more limited area of potential disciplinary offences by policemen. The Home Affairs Committee considered the Scottish scene and drew parallels in a very different context. A lawyer might argue that the Law Society of Scotland is fairly ruthless and efficient in dealing with complaints against solicitors, but I am sure the Minister will agree that that is no argument for saying that there is no point in having a lay observer.

Mr. Ancram: I accept that. To justify the hon. Gentleman's case, however, we need substantive facts to show that the present system is not working. I appreciate that hon. Members have strong feelings about this, as the debate has shown, but no substantive facts different from those put forward in previous debates have been brought forward today to suggest that the Government should change their attitude.

Mr. Maclennan: What does the Minister regard as a substantive fact? He has heard the opinions of Members from four different political parties, including a former Minister of his own party, who was chairman of a police committee. If opinion does not weigh with the Minister, what kind of fact does he regard as persuasive? Do we have to bring to his notice all the dissatisfactions that we have experienced and on which we drew in making our case? We did not think it appropriate to drag all those instances into the debate, because of the potential embarrassment to the individuals involved. What does the Minister mean by facts? Has he an open mind? Will he accept the view of the hon. Member for Falkirk, East that the matter should be referred to the Police Advisory Board?

Mr. Ancram: The Government have taken the view, which I am arguing again today, that the present system works. I came to the debate to hear whether there were any specific instances in which the system had not been working, especially since 1983.

After the Select Committee reported, we issued a consultation document seeking comments on recommendations which had implications for Scotland. Although it did not specifically canvass views on changes in the basic complaints structure, the evidence suggested overwhelmingly that the present procedures were operating satisfactorily. As my right hon. Friend the Secretary of State made clear in his written answer, we therefore concluded that the case for radical change had not been made. My right hon. Friend went on to say, however, that specific areas had been identified in which improvements could be made and in which guidance was desirable.

My hon. Friend the Member for Dumfries (Sir H. Monro) made the valid point that the system required some rectification in terms of the information provided about the way in which the system worked because there was a good deal of misunderstanding and in some cases, as I know from my constituency experience, no understanding at all of what the system actually entailed. For that reason, we issued a circular to chief constables and police authorities last summer.

Mr. Ewing: The Minister has been most generous in giving way. Does he accept that the consultation document specifically ruled out changes of the kind proposed in the new clause? If the Government send a consultation paper to any group of people making it clear that matters A, B and C are not for consideration, the responses will reflect that preconceived attitude on the part of the Government.

As for evidence that the system is not working, why did the vast majority of the lay people on the Police Advisory Board, who are closer than we are to general public opinion, take the view in 1978 that there should be an independent element?

Mr. Ancram: I cannot answer questions about what happened in 1978 because I was not there and the hon. Gentleman was doing my job. As my hon. Friend the Member for Dumfries said, it is important to appreciate that there is uncertainty about the system in the public mind due to lack of understanding. That is why we issued the circular to chief constables and police authorities in the summer. That circular gave guidance on the appointment of investigating officers and the circumstances in which they might be drawn from another force. It also emphasised the need to give complainants as full an account as possible of the outcome of the investigation. That is important in the light of what has been said by many hon. Members today.

We also prepared a leaflet, in consultation with the police associations, explaining the complaints procedure for the benefit of members of the public who wished to lodge a complaint. The circular recommended that that leaflet be used by all forces so that anyone wishing to

lodge a complaint would be given sufficient information about the procedure at that stage so that there would be no question of people not understanding it. In other words, since the last debate we have taken steps, albeit within the existing framework, to make certain necessary refinements.

In my view, there is no point in making major changes of the kind suggested in the new clause purely for the sake of making them. The need for such changes must be shown, and I do not believe that such a need has been shown in this debate. I have certainly not been persuaded of the need for an independent panel. I do not believe that there is evidence of a widespread lack of public confidence in the present system or any reason to believe that public confidence would be significantly increased by the establishment of an independent panel. I believe that the public at large still repose a great deal of faith in the integrity and impartiality of the police service. That applies to the whole range of police activities.

I have no doubt that the present procedure, with the independent procurator fiscal involvement in criminal complaints, serves the purpose well. For that reason, I cannot accept the new clause.

Mr. Maxton: I have heard some long, dreary speeches saying no, but the contribution from the Under-Secretary of State for Scotland today must have been the longest and dreariest.

Mr. Foulkes: It was all written out for him.

Mr. Maxton: Yes, it was all written long before the debate took place, so the Minister could not have paid much attention to what was said in the debate. Members in all parts of the House—including Conservative Back Benchers and, indeed, the chairman of the Conservative group of Scottish Members—made the case strongly and clearly, but the Minister was still not prepared to change his mind.

Specific details were not given in the debate, but if the Minister believes that the public at large—especially the large sections of society who are disadvantaged or unemployed—have enormous confidence in the police, he must be living in cloud-cuckoo-land. He should come and see the alienation in parts of Glasgow not just from the police but from authority generally. It is not good enough to say that there is enormous confidence in the police. That is not the case.

The reply by the Under-Secretary of State is typical of the general secrecy in which the police and the Government like to operate. My hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) was right to raise those aspects of the sexual offences report. This shows the way in which the police are prepared to bring pressure to bear to ensure that no criticism of them is published.

The Under-Secretary of State made great play of the fact that the differences were minor. If the differences had been major, there could have been a genuine difference of opinion between the two sides. Two different reports could have been examined, mistakes could have been made and the differences would have been evident. But the differences were so minor that they appear to have been used deliberately by the Strathclyde police to discredit the whole report. The fact that the discrepancies were so small worries me. Minor differences appear to have been used to discredit the research. It is all right to say that one disagrees with the report, but it is disreputable to try to discredit those who researched the report.

I hope that the Under-Secretary of State will intervene and confirm what has happened in the following case. I have been told that researchers have investigated the way in which the provisions of the detention clauses of the Criminal Justice (Scotland) Act 1980 have been carried out during the past five years. I have been told that an interim report was prepared by researchers in the Scottish Office and that it has gone to the chief constables. I have been told also that, at meetings during the past few weeks, the chief constables have said that they do not wish that report to be published. They have asked the Scottish Office not to publish it and to cease monitoring the detention clauses. That interim report was not overly critical of the police. It did not say that they were misusing their powers. Because the report contains some criticisms of the police, the chief constables have said that it should not be published. Is that the case?

Mr. Ancram: The decisions on whether to publish these reports and the last report are not matters for the police. They are matters for my right hon. Friend the Secretary of State and me.

Mr. Maxton: I did not suggest anything else. I used the word "asked", as the hon. Gentleman will see if he checks the *Official Report* tomorrow.

Mr. Ancram: The hon. Gentleman said "said".

Mr. Maxton: I said that the police are asking and saying that the report should not be published. I have been informed that, at a meeting last Thursday between officials and chief constables, an agreement was reached that the report would not be published and that monitoring would cease. Will the Under-Secretary of State say whether that is the case? Will the report be published, or will it not be published? Will the monitoring continue? If so, will hon. Members be able to table questions about the number of detainees and the numbers who have been charged, and so on? Is the hon. Gentleman prepared to answer my questions?

Mr. Ancram: I understand that the first draft has been prepared, that it has been seen by the chief constables and that they have commented on it. As I said before, decisions on whether these reports are to be published are matters for my right hon. Friend the Secretary of State, on my advice. Obviously, I cannot pre-empt those decisions before I have seen the draft report.

Mr. Maxton: We shall be interested to note whether this report ever sees the light of day and whether monitoring continues.

The reply by the Under-Secretary of State and the reaction of the police to research and reports show that they are so super-sensitive to any criticism that they create the type of problems about which we have talked. These actions make the public suspicious and make them feel that there is no proper way of getting at the truth. The police put up a wall of secrecy between themselves and the public. If they operate in that way, there will be further problems with public relations.

Having said that, I accept that the clause is faulty. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 4

RESTRICTION ON SALE OF ALCOHOL IN VICINITY OF SPORTING EVENTS

'After section 74 of the Criminal Justice (Scotland) Act 1980 there shall be inserted the following—

"74A. Where the Secretary of State has designated a sporting event under this Act, he may instruct the closure of premises which sell alcohol for consumption otherwise than on those premises, within a radius of 1 mile from the designated sporting event.".'.—*[Mr. Maxton.]*

Brought up, and read the First time.

6.15 pm

Mr. Maxton: I beg to move, That the clause be read a Second time.

The Solicitor-General for Scotland: Oh, no.

Mr. Maxton: I hasten to assure the hon. and learned Gentleman that I have only one more motion. I promise that I shall then be quiet for the rest of the evening.

Mr. Bruce Millan (Glasgow, Govan): This could affect my constituency.

Mr. Maxton: I do not think that is the case. I think that my right hon. Friend's constituency is not within a one-mile radius from Hampden park.

Mr. Millan: Ibrox park is.

Mr. Maxton: Ibrox might be, I agree.

Those of my constituents who live in the Hampden park area have asked: Is it logical, having said that there should be no drink within the grounds or on buses and trains going to the ground, that drink should be allowed near the ground? My constituents suffer from this problem. This is a recent phenomenon in the Hampden area, because the Mount Florida area used to be one of the dry areas of Glasgow. There were no pubs or off–licences. A change in the licensing laws has meant that there are off-licences.

People purchase cans of beer and bottles of whisky from the off-licences and drink them in the street before going into the ground. They do not get drunk, but the empty cans and bottles finish up in the gardens and closes of the people living in the area. Those people are entitled to some protection.

There is some evidence that crowd behaviour improves if the authorities make it difficult for people to drink outside the ground. I went to one of the two league cup finals in Hampden on a Sunday afternoon. Of course, off-licences are not permitted to be open on Sundays. There is no question but that crowd behaviour on the two occasions on which matches have been held on Sunday afternoons was much better than it had been on other occasions, despite improvements in other areas. I think that it is logical to extend the drinking limitations.

I am not saying that, on every sporting occasion taking place on a designated sports ground——

Mr. McKelvey: Yes, my hon. Friend is.

Mr. Maxton: If my hon. Friend listens, he will know that I am not saying that these limitations should apply to every sporting event at every sports ground. The legislation makes it clear that all drink is banned at two specific areas—near a designated sports ground and at designated sporting events. I am referring to the latter. The Secretary of State might designate a game at Hampden, Ibrox or Parkhead.

Mr. Martin J. O'Neill (Clackmannan): Murrayfield.

Mr. Maxton: My hon. Friend said, "Murrayfield." It could have problems. There could be a crowd, and therefore it might be better to ban drink. The drink would be banned only for specified games. The Act defines the duration of a sporting event. It is two hours before the sporting event and one hour after. A limited period is affected. I hope that the Minister will consider an extension of the present powers. Everyone in Scotland agrees that the powers have had an effect on crowd behaviour at footbal matches, and possibly rugby matches at Murrayfield, over the past two years. We can only hope that the Government will introduce similar legislation south of the border rather than the piecemeal action that they are taking. The provisions of the new clause are a logical extension of the present powers.

Sir Hector Monro: I congratulate the hon. Member for Glasgow, Cathcart (Mr. Maxton) on his ingenuity in raising all kinds of topics. We have relatively few opportunities to discuss matters such as football hooliganism, and we should not therefore miss this one. The hon. Gentleman was correct to raise the subject.

In England, the Football Association, the Football League and the clubs have been criticised for failing to act, but ideas are shot down before being fully discussed.

The hon. Gentleman's proposal is worth considering although we can see all kinds of practical difficulties—for example, whether one mile from the ground is the correct radius. If there were a one-mile radius in Dumfries no one would obtain a drink at all. The geography of a place and the layout of the streets might make it impractical to have such a limit. Thee might be a frontier. People would be able to obtain a drink on one side of the frontier but not on the other. The matter must be considered carefully.

There has been a successful change in attitude in Scotland since the legislation, following the McElhone report, introduced by my right hon. Friend the Secretary of State and my hon. Friend the Under-Secretary of State for Trade and Industry when he was the responsible Minister.

Everyone within the United Kingdom now points to Scotland and says, "You have taken steps and set an example. The situation is infinitely better." People are saying to England and Wales, "Come on. Let us take practical steps also to show that crowd behaviour can be improved by controlling the consumption of alcohol." Scotland has dealt with drink on buses and trains.

As we did when discussing the last matter, we commend highly the work of the police in assisting the stewards and clubs to make crowd behaviour more manageable. We shall never get rid of all crowd trouble. We must not be complacent. We must think of ways of improving the legislation for Scotland. The success that has been achieved in recent years is a splendid base on which to build. Other countries are jealous of the reputation of Scottish fans at home and abroad. I hope that in their interests other countries will follow Scotland's actions with regard to drink. I am perturbed to see that England may only be bringing in a ban at selected grounds. England must go the whole hog and ban drink at all grounds if there is to be an impact on behaviour. Trouble could arise if a small ground which has had no drink ban suddenly meets Arsenal or Chelsea or any first division club. The legislation must be all or nothing.

I want to pay a warm tribute to the Football Trust and to the Football Ground Improvement Trust. They are funded by a percentage of football pools income. We should be grateful to the football pools promoters for providing that money. The trusts have enabled improvements to be made to terraces and fences. Television cameras have been installed to keep an eye on awkward corners. They can provide valuable evidence as to who starts hooliganism in a ground.

It is now recognised, although it took a long time, that the behaviour of players on the field has a bearing on the behaviour of the crowds on the terraces and in the stands.

The hon. Member for Cathcart has included the word "may" in the new clause. The hon. Gentleman's intention, were the Minister to pursue the matter, would be not to have a universal ban on one mile, or any specified distance, around a ground, but to provide the flexibility to cater for any type of sporting event where there may be difficulties. We should sometimes look a little further into the future and hope—it may take rather longer than we would wish—that in five or 10 years we shall wonder what on earth we were doing in the 1960s, 1970s and 1980s having all this hooliganism at football matches and other major sporting events. Discipline at home, in school and in the country may work itself through, and the standard of living and of behaviour may be much better than it sometimes is at some football grounds.

I welcome the fact that we have had a chance to discuss the subject. It is right to air successes as well as disappointments over football hooliganism.

Mr. McKelvey: I see some deficiencies in the new clause, not in its drafting but in the practicalities of its application. My hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) is trying to protect those who live around Hampden park. The problem with a one-mile ban around Hampden park is that the trouble would merely be extended to those who live one mile and one yard from the ground. There would be pandemonium. Busloads of people would arrive with drink. If the drink is not allowed on the buses they might come by bicycle or other means of transport. They would bring the drink closer to the ground. Under the present legislation, such people would be stopped. They would not be allowed to take the drink into the ground.

If there were a cycle race from John O'Groats to Wick, the Secretary of State would have to designate areas of a mile all along the route. That would not close the public houses, because my hon. Friend is prepared to allow public houses to remain open within the vicinity of Hampden park, but it would close the licensed grocers and the off-licences. I do not believe that his proposal is practical. On this occasion, my sympathies lie with the Minister, who will probably say much the same as I have.

We have all seen a marked improvement in crowd misbehaviour since the introduction of the legislation. We welcome that, but to extend the legislation in the way suggested is not practical or welcome. There are sufficient powers now to enable the police to ensure that no one can enter a football ground under the influence of alcohol. People may not carry drink into the football park or premises, or consume it within the grounds. I implore my hon. Friend the Member for Cathcart to withdraw yet another of his new clauses.

6.30 pm

Mr. Ancram: I congratulate the hon. Member for Kilmarnock and Loudoun (Mr. McKelvey) on using his gimlet-like and razor-sharp mind to identify the deficiencies in his hon. Friend's clause, not least with regard the selectivity of the restriction. One can imagine the representations that would have been made to the hon. Member for Glasgow, Cathcart (Mr. Maxton) if he had made the provision any more wide-ranging.

I agree with my hon. Friend the Member for Dumfries (Sir H. Monro) that this is a good opportunity for us to reflect upon our successes in dealing with problems at football grounds and other sporting occasions in Scotland. The matter is causing concern across the United Kingdom. The provisions of part 5 of the Criminal Justice (Scotland) Act 1980 have in the four years of their operation proved to be a success. Indeed, they are now proving to be a model for the rest of the United Kingdom. Scotland has set an example that we hope will, over time, be reflected further afield.

In line with the instructions given to me by the hon. Member for Kilmarnock and Loudon, I must say that I am not convinced of the necessity for the new clause.

The 1980 Act already creates offences of being drunk at a sporting event, or attempting to enter while drunk or in possession of alcohol or of a controlled container—for example, a bottle or can. At the ground, anyone who had been imbibing or who was carrying alcohol could be charged with the commission of an offence. That provision is better than a restriction in terms of mileage. The hon. Member for Kilmarnock and Loudoun identified the weakness in that idea. Carry-outs could be bought a yard outside the mile limit, but shops a yard inside the limit would not be allowed to open. I am satisfied that the range of offences within the legislative framework, and the associated powers, are entirely sufficient to reduce the dangers of disorder at sporting events in Scotland. No one can claim that hooliganism and drunkenness have been entirely eradicated, but there has undoubtedly been—as my hon. Friend the Member for Dumfries said — a marked improvement in football crowd behaviour since the new provisions came into effect. I therefore see little justification for further legislative change.

The new clause seeks to restrict the sale of alcohol from off-licences near a designated sporting event. It would add nothing to the existing law as it affects football hooligans who try to take drink or bottles into the ground. In addition, the new clause would duplicate the existing powers of the licensing board which, on the application of the police, may close certain licensed premises to the public if it is in the interests of public safety or order to do so. I refer to section 66 of the Licensing (Scotland) Act 1976. The matter was considered by the McElhone working party, and it was felt at the time that that legislation was sufficient. As far as I am aware, those powers have never had to be used in connection with a football match, but I am advised that they have been used in other circumstances.

The new clause is an unnecessary duplication of existing law, in an area where there is sufficient legislation to provide the safeguards that we need.

This is a rare opportunity for us to pat ourselves on the back for the success of the 1980 legislation. I hope that the hon. Gentleman will withdraw the motion.

Mr. Maxton: If I had thought that I was merely giving the Government an opportunity to pat themselves on the back, I might never have tabled the new clause.

It is true that there has been a vast improvement. Everyone would congratulate the Government on it, and the Minister has rightly paid tribute to the work of the late Frank McElhone and his working party.

Hampden park is perhaps more completely surrounded than some other sports grounds by a residential area, and the people living there suffer when big games take place. This year, an extra big game has been forced upon them by the action of the Government. People feel strongly that there should be more control over what happens in the vicinity of the ground.

I take the Minister's point about the duplication of the licensing laws. Perhaps I should have a word with my colleagues in the licensing courts in Glasgow to see what they could do.

Mr. Ancram: The hon. Gentleman has made an allegation that—with his love of accuracy—he will not wish to remain on the record. He suggests that the decision to transfer a certain game to Scotland originated with the Government. It was not a Government decision. It was a decision taken by the football authorities on their own initiative. The Government had suggested a change of date. I believe that the decision to move the game to Scotland was a compliment to the Scottish football fans and to the law on football matches in Scotland.

Mr. Maxton: If we were not in the House of Commons, I would give the Minister a straight answer. The Minister must ask himself whether, if the Minister responsible for sport had not asked the Football Association to make a change in relation to the game, the game would be taking place at Hampden. It would not. It would be taking place at Wembley on 25 May.

The decision about transferring the game may have been that of the Football Association, but the decision to take the game out of Wembley on 25 May was forced upon the FA by the Government. The FA knew that it had no option but to cancel the game altogether or switch it to Hampden. It was the Government's decision.

I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 5

RECORDING OF QUESTIONING AT POLICE STATIONS

'At the end of section 2 of the Criminal Justice (Scotland) Act 1980 there shall be added the following "Any questions put to a person and any replies given by him while in detention in a police station detained under section (1) above shall not be admissable as evidence in any subsequent trial unless they have been tape-recorded or video-taped and the said tape recording or video recording and a transcript thereof is lodged as a production in Court."'.—*[Mr. Maxton.]*

Brought up, and read the First time.

Mr. Maxton: I beg to move, That the clause be read a Second time.

I promise that this will be the last clause on which I shall speak this evening.

I wish to begin with a quotation from the Committee stage of the Criminal Justice (Scotland) Bill 1980. It is from a speech by the hon. Member for Edinburgh, Pentlands (Mr. Rifkind) who at that time was the Minister in charge of home affairs at the Scottish Office. He was later transferred to the Foreign Office, and the Minister who is to reply is one of his successors. I tabled an exactly similar amendment during that Committee stage. The Minister said:

> "The Government's view quite firmly and quite clearly is that if the tape recording experiments which are presently being conducted in Dundee and Falkirk are shown to produce no insuperable difficulties, it is our firm intention to implement these proposals"—

the proposal to tape-record interviews at police stations—

> "at the earliest opportunity. We do not see the question of resources as significant in implementing such proposals." —[*Official Report, First Scottish Standing Committee*, 13 May 1980; c 364-65.]

I do not know what has happened during the past five years. A five-year delay does not seem to me to be the earliest opportunity. We have had no published reports on the experiments in Falkirk and Dundee. The time has come for the Minister to give us some facts about those experiments, to publish any outstanding reports on them and to explain why the commitment given by his hon. Friend has not been carried out.

Have the experiments produced insurmountable problems? I accept that a problem has been caused by the judgment of Lord Jauncey concerning tape-recorded evidence being produced in court, but tape recordings have been used in other courts. How many people have been interviewed? How long are the interviews? I have heard that tape-recorded interviews are considerably shorter than is normal. What is the average length of a tape-recorded interview? What is tape-recorded? I believe that, in Falkirk, only the caution, the charge and the accused's response are recorded. In other words, there is not a full recording of the whole interview.

I believe that there is some evidence of police suspicion of tape-recorded interviews and that a much larger percentage of interviews are now conducted outside police stations, either in the suspect's home or in the police car on the way to the station. What are the police saying about the experiments? During proceedings on the Criminal Justice (Scotland) Bill it was said that detainees might refuse to answer questions with a tape recorder running. Have people refused to be interviewed with a tape recorder running? If so, how many?

After five years, and the promises that were made in 1980, we are entitled to know the answers to those questions. We want to know what is going on and when the Government will fulfil their commitment to enact the Thomson report, which proposed that interviews should be tape-recorded and that the tape recordings should be used as evidence in court. Such a procedure would help with police relations and, in regard to challenges made by lawyers about what has and has not been said, the police would be helped as well. The hon. Member for Pentlands was prepared to accept that. Is the present Minister?

Mr. Dewar *rose*——

Mr. Buchan: On a point of order, Mr. Deputy Speaker. I have also put my name to the new clause and I am in some difficulty. My hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) has asked several questions, and this is the only opportunity that we shall have of getting answers to them. If I were to speak before the Minister, I should merely add to, buttress or repeat the questions that my hon. Friend has asked and I should not be able to speak again on Report unless moving a motion.

Would it not therefore be better if the Minister answered my hon. Friend's questions now so that we can have a meaningful debate?

Mr. Deputy Speaker (Mr. Ernest Armstrong): That is a matter for the Minister, not for me.

6.45 pm

Mr. Ancram: As the hon. Member for Glasgow, Garscadden (Mr. Dewar) has decided to hold his fire for the moment, perhaps I can deal with some of the issues raised by the hon. Member for Glasgow, Cathcart (Mr. Maxton).

I think that the hon. Gentleman knows that my right hon. Friend the Secretary of State has always made it clear that he intends, for consultation purposes, to publish the results of the recent study into the tape-recording of police interviews with suspects in Scotland. The final report of that study, which deals with many of the questions that the hon. Gentleman asked, is expected to be submitted to my right hon. Friend shortly. We expect to make a statement about the Government's plans before the summer recess. It has taken time, but I am sure that the House appreciates that a good deal of evidence was collected during the experiments.

I am sure that the hon. Member for Cathcart realises that, in those circumstances, it would be inappropriate for me to answer his specific questions, which are much more a matter for consultation.

Mr. Bruce Millan (Glasgow, Govan): Will the statement relate to conclusions on which consultation is asked for, or will there be genuine consultation?

Mr. Ancram: My right hon. Friend has said that he will publish the report for consultation. The right hon. Gentleman must wait to see what is in the report, but a statement will be made before the summer recess. I am sure that the hon. Member for Cathcart will agree that it would be inappropriate for me to pre-empt any decisions that might be made after publication of the report.

Any decision to introduce tape-recording of police interviews with suspects in Scotland would not require new legislation. The new clause reveals some of the difficulties, especially with the admissibility or inadmissibility of evidence. For example, it might not be possible for the police to tape an interview. There might be an equipment failure, the police station might be in a remote area, or it might be necessary to travel a long distance to a fully equipped station. The experimental study has shown that a small but significant number of people refuse to be interviewed on tape. In such cases, the new clause would make statements thus obtained inadmissible in court. The hon. Member for Garscadden might like to mull over that before we debate this matter more fully when the time comes.

Moreover, the new clause does not mention the considerable number of people who attend police stations voluntarily or who are detained under section 2 of the 1980 Act in premises other than a police station where there might not be tape recorders, but where statements which form an important part of the evidence might be made.

There are many complexities, which I am sure the hon. Member for Garscadden will enjoy when he treads through them. I am glad to have been given the opportunity to say that we shall make a statement before the summer recess. I hope that in the circumstances the hon. Gentleman will withdraw the motion.

Mr. Dewar: I am grateful to my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) for tabling the new clause. It was obviously meant to be an exercise in information gathering, and we have succeeded in obtaining some quite interesting information from the Minister. I was relieved to hear that there would be a statement before the summer recess, because the situation was bordering on the scandalous. The delays have been so lengthy that my colleagues have been rightly concerned about the total lack of action by Ministers.

This argument, in its immediate past, dates from the first version of the Criminal Justice (Scotland) Bill and, I suppose, from the Thomson report. Thomson produced a package with three principal parts. The first was detention for questioning, which became section 2 of the 1980 Act, the second was judicial examination, which became section 6 of that Act, and the third was the tape recording of the questioning of suspects in police stations. However, that was not included in the legislation.

Some of us have always thought that this matter should be considered very carefully. To be fair, that view was widely shared by Conservative Members. I am sure that the first amendment calling for tape recording, which was tabled in the course of two attempts to put that Bill onto the statute book, was initiated by the hon. and learned Member for Perth and Kinross (Mr. Fairbairn). He continued to be enthusiastic when he become Solicitor-General for Scotland. On 22 July 1980, as Solicitor-General, he said:

"The experiments in Dundee and Falkirk are going well. We shall be making a report in November or December on the initial situation."

The hon. and learned Gentleman then referred to the possible video taping of interviews, and rightly dismissed it on the ground that it was an unnecessary complication that would delay matters. He said:

"We should not, however, introduce anything at this stage to delay what was the wish of the last Government and is the wish of this Government that recording should be proceeded with, and should be found to have a satisfactory future provided that no appalling difficulties stand in its way."—[*Official Report*, 22 July 1980; Vol. 989, c. 409-410.]

That is what was said as long ago as 1980. Until today no final date had been given for the endless consideration and sort of ministerial dwalm—a form of paralysis—that seems to have affected the Under-Secretary of State, the hon. Member for Edinburgh, South (Mr. Ancram) and his colleagues.

It is stretching things a little even to refer to the recent study. The experiments in Falkirk and Dundee, and ultimately in Aberdeen and part of Glasgow, ran from 1980 to 1983. Thus, however comprehensive the consideration and however ingenious the complexities, I would have hoped for something by now. However, we must be thankful for small mercies. The Minister refused to reply to the specific questions of my hon. Friend the Member for Cathcart on the ground that it would prejudge the issue to do so, but he then went on to give us little snippets of information about the difficulties that might arise. Someone of a more suspicious frame of mind than me might think that he was approaching the whole issue with a fair degree of scepticism.

However, I accept that there are difficulties. I know that there have been problems in the courts and I know from conversations with police officers—they were not a solicitor's conversations but very helpful conversations—that there is a difference of opinion among those

[Mr. Dewar]

officers who have experience of operating the system. Obviously, we shall await the report with an open mind, but I hope that there will not be any insurmountable difficulties, and that any difficulties will be considered on their merits, on the basis of the practicality of the system.

However, I have been worried, because I have been watching events in England and Wales. The Minister is no doubt well aware of them. England and Wales were, for a while, a long way behind us, but now the Government have, in principle, openly committed themselves to the change. The Minister is probably more familiar with section 60 of the Police and Criminal Evidence Act than I am, but there a statutory duty has been placed on his colleagues south of the border to introduce a system of tape recording parallel to the system that we have been considering for so long.

In fairness, I should point out that that section needs implementation and there is no timetable. The Minister responsible has made it clear that experiments are still running in England, and will, I think, run for the next two years. Therefore, I am not suggesting that tape recording will appear instantly in the English system, but at least there is a clear Government commitment on the statute book in section 60 of that Act.

I do not want to labour the point, but it might be useful to put a few facts on record. Home Office research study No. 82 was published in 1984. It was an interim report by Carol Willis. I shall weary the House with the briefest of quotes from the "summary and conclusions".

"these preliminary results are encouraging in one important respect: they show an absence of any evidence that the data collected are invalidated or made meaningless through the systematic avoidance of tape-recording by the police. This goes to support the anecdotal evidence available to the researchers that the police officers involved in the trials have generally taken to tape-recording with commitment and enthusiasm. The preliminary data show that interviews with suspects have become slightly less frequent and shorter"——

the point made by my hon. Friend the Member for Cathcart——

"which goes to support the view that tape-recording has required a greater discipline in interviewing practices. There appears to be no evidence to suggest that tape-recording inhibits the suspects from confessing or making damaging admissions; nor do the results suggest any decrease in the amount of information about other offences obtained during interview."

There may be a difference in police experience north and south of the border, but the comprehensive interim report that has been produced — remarkably promptly, compared with the Scottish experience — suggests that the police found the experience very positive. Of course the police are not the only interest involved, but they are an important interest. We have always maintained that if such a system was introduced, it would act as a safeguard not only for the suspect and the courts but for the police, as it would guard against the all-too-easy defence that they had acted improperly in some way in obtaining a statement or confession.

The appearance of a report in the next month or two will greatly help this debate. Once the report is published, we should reach some conclusion within a reasonable period, but after proper consideration. The Minister said that there would be a statement before the summer recess. I take it that he means that a statement will be made on the Floor of the House about the Government's intentions and about the way in which the report will be hailed, but as such phrases can sometimes be ambiguous, I have put that point on record so that there can be no misunderstanding about it. If we obtain the report within the timetable suggested, we may be able to make some progress on this important issue. Sadly, the delay and general dithering that has characterised the past three or four years — especially when compared with the speed of events in other parts of the country — does not reflect great credit on the Scottish Office.

Mr. Maxton: I welcome the fact that the Minister has said that the report will be published and that a statement will be made. I gather that at least three interim reports have already been prepared and circulated. I think that the last was in 1982. I cannot understand why those reports were not published, and why there could not have been an on-going review of what was happening, rather than five years of experimentation. No one expected that it would take so long. Indeed, I am not sure whether the report will cover the whole five years or whether monitoring was stopped in 1982. Can the Minister help?

Mr. Ancram: I think that the hon. Gentleman will find that it stopped at the end of 1983.

Mr. Maxton: Even the period between 1983 and now is too long. However, I accept what was said by the Minister. Therefore, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 7

COMMITTEE TO LOOK INTO PROBLEMS OF YOUNG OFFENDERS

The Secretary of State shall appoint a Standing Commission on sentencing policy for young offenders, their custodial treatment, care assessment and rehabilitation; and the Chairman of this body shall be a senator of the High Court of Justiciary and shall report to the Secretary of State on any matters he sees fit to refer to them.".—*[Mr. O'Neill.]*

Brought up, and read the First time.

7 pm

Mr. O'Neill: I beg to move, That the clause be read a Second time.

I fully recognise that the new clause may contain drafting shortcomings. Therefore, the Minister may choose to oppose it. All that I am trying to do is to establish a forum for debate rather than prescribing an exact option which the Minister should embrace.

My involvement in the issue stems from the fact that the Glenochil young offenders institution and detention centre are situated in my constituency. Before the boundaries were redrawn, Polmont borstal, as it as then was, was situated in my constituency, and on the fringes of my constituency, although it is in the constituency of the hon. Member for Stirling (Mr. Forsyth), there is the women's prison at Cornton Vale. Within the central belt of Scotland there are to be found, therefore, a number of penal institutions. I have seen at close hand the problems facing the prison service, and I have been able to monitor some of the Government's responses. My lack of satisfaction with the outcome of those responses leads me to believe that an independent advisory body is needed which would be capable of restoring public confidence in the prison service.

There are very few votes in penal reform. Those who in the past have sought popular support by advocating

repressive regimes and harsher sentences have found that it does not result in ballot box dividends. The electorate have felt satisfied until recently that those in prison probably deserve to be there. To be out of sight is to be out of mind, and the care of offenders is left to the prison service. It is only when something goes wrong that questions are asked.

Because of the tragic events at Glenochil, there has been an increase in public interest. Public concern is rekindled whenever a fatal accident inquiry takes place and interest is reawakened when the report of the inquiry is published. Constant publicity and continual dripping of water on the stone has etched the word "Glenochil" upon public consciousness in Scotland. Public interest has changed from concern to a lack of public confidence in the sentencing and care of young offenders in Scotland, particularly at Glenochil. This is despite the fact that five public inquests have already taken place. The report of each fatal accident inquiry showed that the sheriff concerned was unable to establish a cause and effect link between the regime, either at the detention centre or at the young offenders institution, and the death. The Inspector of Prisons, who is independent of the Secretary of State, has also failed to establish any connection, but even this report has not allayed public anxiety.

The exposure of the closed world of the prison service to the glare of publicity has had an effect upon the morale of the staff. To be repeatedly told that one's work is leading to the deaths of young men is bad enough, but to have brought home to one the apparent futility of one's efforts when another corpse is discovered has a devastating effect upon some of the best trained and most highly committed men in the service.

There is nothing to be achieved by using these tragic deaths to vilify the staff or to make cheap capital out of attacking the system. Most of the members of the Scottish all-party penal affairs group have visited Glenochil and other Scottish penal institutions. Although we may not approve of everything that takes place in those institutions —and we have made our views known to the authorities and to Ministers — it is fair to say that those who advocate sudden and wholesale changes to the system, in particular the closure of institutions, do not have a great deal of evidence to support their case.

Perhaps I have already dwelt for too long upon the sensibilities of the staff. They are important, but they are not so important as the anxieties of the families of the young men who are in prison. I am sure that every death is felt in the homes of all those who have sons in prison. The scale of the problem can be illustrated by the figures which have been collected. They were made available to me last week by the governor of Glenochil and cover the two institutions that are to be found at Glenochil.

In 1984, there were 1,037 detention centre inmates. Of these, 75 were placed under suicidal observation for periods of between two and 60 days. A total of 138 days were served under suicidal observation. Of the 75 who spent 138 days under suicidal observation, 53 admitted to self-inflicted injuries before they were admitted to the institution. Of the 53, 10 had inflicted injuries upon themselves during the sentence. Up to 24 April 1985, about 30 inmates had been placed under suicidal observation lasting between one and 46 days. During the first quarter of the year this amounted to a total of about 235 days under suicidal observation. Of the 30 inmates, 14 admitted to self-inflicted injuries before sentence and six inmates had tried to mutilate themselves since sentence. Of the 386 inmates admitted to the detention centre in 1985 for the short, sharp shock, 30 of them have, in one way or another, displayed suicidal tendencies.

The position is the same in the case of the young offenders institution. In 1984, out of 858 inmates, 89 were placed under suicidal observation for periods of between two and 365 days. Of the 89, 37 admitted to self-inflicted injuries before admission and 15 of them inflicted injuries upon themselves during sentence. Up to 24 April 1985, of the 225 inmates who were admitted, 24 had been placed under suicidal observation for between two and 92 days, amounting to a total of 489 days. Twelve of the 24 admitted to self-inflicted injuries before sentence and three have so far admitted to self-inflicted injuries during sentence. I have spent time upon these figures because they are significant. All these inmates have admitted to suicidal tendencies.

I need not spell out the consequences for the prison staff of those young men being in prison. There is the overtime that has to be worked, the care required from the prison medical staff, the burden that is imposed on the social workers and the numbers of hours that psychiatrists and psychologists have to spend working within the prison service in such institutions.

It is clear that Glenochil has been the subject of interest and concern. Staff and specialists, such as psychologists, tell me that despite everything they are doing they expect the problem to become worse. With fewer young offenders being given custodial sentences, those going to detention centres and young offenders' institutions are probably more difficult prisoners than ever before. We are seeing a concentration of potential problem prisoners.

Although there has not been serious research to underpin what I am saying, I am sure that the Minister will have heard from his advisers that at the moment a qualititive change is taking place in the young prison population. We are now seeing the first wave of those who have gone through the process of solvent abuse into hard drug addiction. The damage which that process inflicts upon young people is such as organically to damage their brains, and it creates problems the like of which the prison system has never had to confront before to any substantial extent.

Even with the speedy implementation of every recommendation in the report produced by Dr. Chiswick's committee on suicides and parasuicides in Glenochil and other institutions, the problem will not go away. I hope that that will reduce the difficulties and that deaths might be avoided, but I cannot honestly say that Dr. Chiswick's committee will have all the answers. In fact, the calibre of the members of that committee is such that they would be the first to admit that.

There is a danger of becoming alarmist in spelling out the problems, and I hope that I have not done that. We recognise that that group represents only 10 per cent. of the prison population and that the other 90 per cent. will come through the experience for good or ill depending on how effective their treatment has been.

The parents of every youngster who is likely to receive a custodial sentence in Scotland will be extremely worried about the prospects, and it is to that problem that I must keep returning. That is why I am suggesting tonight that some kind of advisory body, separate from the Scottish Office and the prison service, answerable to the Secretary of State, could begin to restore public confidence.

[Mr. O'Neill]

The chairman of such a body must be a member of the bench. Experience has shown that the judiciary do not take kindly to outsiders advising them on how they should be sentencing. We should work on the basis of the old political maxim that if one has a problem and opposition, one of the opposition should be recruited to work for one rather than against one. The appointment of a High Court judge who has probably had extensive experience in one aspect of the business—the sentencing of offenders—would be substantial enough to ensure the independence and authority of such a body.

I imagine that other members of such a body would be recruited from the Scottish Office's list of the great and good, and perhaps there could be some useful people as well such as psychiatrists, sociologists and social workers—people with some experience in the field.

Such a body could be given the chance to look at the appropriateness of present custodial sentencing, the different types of institutions which could be made available, at what is being done in other parts of the United Kingdom with regard to day centres and the like, and examine the possibilities of hostels, where shorter stays could be arranged. It could look again at the generic sentence. Within the Executive, with all the appropriate safeguards, the prison system specialists could consider the most effective means of dealing with the offender once the courts had decided on the length of a sentence.

7.15 pm

We could consider different ways of applying remission procedure and perhaps go down the road taken in Northern Ireland, where there are remission procedures of 50 per cent. Certainly in sentences of more than two years a remission of that order would be appropriate.

We should consider giving greater assistance to accelerating remand procedures, and probably endeavour to delay detention of any kind until all oustanding cases have been heard so that a prisoner knows that when he begins a custodial sentence it is for a particular period and that if he keeps his nose clean he can get out early, or, if he has to do the whole stint, he can do it without the threat of future punishment hanging over his head. That should not be beyond the courts' administration in Scotland.

Above all, there must be a serious and rapid examination of detention centre training. There must be far greater scrutiny of the short sharp shock treatment than a stroll around a detention centre by a prejudiced Home Secretary before there is any guarantee that the short sharp shock treatment is working or can ever work. Over the years of having watched and tried to gather information about the effectiveness of the system, I have been singularly unsuccessful in obtaining any evidence which shows that it deters, improves or keeps away from a life of crime many of the youngsters who pass through the doors of such institutions.

I say that with regret, because I recognise that many of the staff try hard with the boys. Many of them are committed to the welfare of the young lads. I cannot for the life of me understand why the Government commit so much of their prestige and resources to that unproven and distasteful form of incarceration.

As well as changes in the nature of the institution and the widening of the options available to the courts and whoever would be responsible for allocating prisoners their appropriate punishment, there must be some mechanism whereby the grievances of prisoners can be examined. I say that because there is a constant chipping away and undermining of the prison service because of the nagging doubts at the back of people's minds. Sometimes that can be the subject of an orchestrated campaign. Sometimes it can be that people, when they are released from prison, grind axes and try to settle old grievances. I freely accept that. However, it is incumbent upon the Secretary of State, if he is prepared to look at the care and treatment of young offenders, to seek to establish a more effective means of examining prisoners' grievances which would enjoy the confidence of the staff.

If we do not have a system which can balance the obligations and rights of these two groups, allegations and counter-allegations will continue to be made and at the end of the day nobody will be satisfied either that one side has been cleared or that the other side has been vindicated.

When we consider alternatives to prison, we must also look at what happens outside. We must find ways of helping and supporting the beleaguered social worker panels in the preparation of the social inquiry reports and community service order work, all of which are taking up an increasing amount of time.

As anxiety about sentencing policy increases, greater emphasis will be placed on the social inquiry report. More time will be required by social workers. I know that the Minister does not have responsibility for that area of local authority funding, but I hope that he and his hon. Friend the Under-Secretary will bend the ear of the Secretary of State to obtain more resources.

It is important to recognise that, outwith local authorities and Government, private agencies could be of considerable assistance in the resettlement and rehabilitation of offenders. The figures for suicidal observation times show the amount of effort and time involved. Suicide observation means 15-minute observations, which means that in every 24-hour period, 96 checks are made. If the lad improves, the number drops to 48 checks in 24 hours. It takes only five minutes for someone to hang himself. I do not want televisions in cells, or glass doors. Prisoners are entitled to privacy. That is the balance that governors must strike. However, the problems and difficulties consume much of our resources.

I have seen the overtime figures for Glenochil, and I am sure that they are paralleled in other institutions where the authorities are just as anxious to ensure that the lads do not abuse themselves any more than is consistent with civil liberties. If we could reduce those dreadful figures, we would reach the point where such reforms would become almost self-financing.

I do not wish to take a partisan, anti-Government position. To some extent, the Government have tried very hard. The Minister has allowed greater public asccess to institutions. Indeed, the media now visit them almost as often as some of the recidivists. I have never been denied any information, and every courtesy and assistance has been shown to me. I recognise that the Minister has instructed sheriffs to extend the terms of fatal accident inquiries so that every facet and aspect of a death is regorously examined. The Minister was probably right some years ago to refuse to set up a public inquiry into the running of the Glenochil institution. The requirement of the law to have a fatal accident inquiry and the sub judice provisions that govern that would probably have inhibited a public inquiry from going about its business.

The specialist groups studying suicides and parasuicides will go a considerable way towards providing highly specialised assistance. The reception of Mr. Barry's report was cool, to say the least. He is a distinguished public servant, who has produced a report on an issue of great public interest, but while it might have been correct, it did not allay public fears. The restoration of public confidence will take both money and time. It will take a great deal more than the limited range of options currently open to the courts. Any young man who is sentenced to four months or less must go to a detention centre unless the governor or the courts think otherwise, and then he could be sent to a young offenders institution. If he is a security risk, he will be sent to Glenochil. If that institution has one record, it is that no one has escaped from it.

I was recently told about two boys who had been sent to the detention centre at Glenochil for the short sharp shock treatment. One of them had only one foot and the other did not have a left arm. I am not sure what the courts were about when they sent those lads to the detention centre. I do not know the quality of the social inquiry reports. Quite frankly, the simplicity and the crudeness of the way in which the sentencing policy was carried out horrifies me.

I know that there are now provisions to stop that happening a second time. There is a provision in the Bill that someone can be sent only once to a detention centre and that if the short, sharp, shock treatment does not work, he should be sent elsewhere. That is a first step, but the Government are moving at a slow pace. After almost 20 years of operating the system, there is no option open to the courts when dealing with a young man who is showing signs of serious nervous disorder and who needs secure treatment. There is little help available in the Scottish Health Service. None of us would want to go to Carstairs. If it is shown that a lad is a security risk, he must go to a secure institution.

I make these points not to criticise the system, but to show the paucity of choice and the alarming consequences of that narrow scope. I am not trying to patronise the Minister. I know that he is well intentioned. As a liberal in his party, he is constrained by those about him. However, if one thing has been shown during the past few months or years, it is the shift in attitude in Scotland. There has been a deafening silence from the old Dundee thunderer urging police or prison reform. The *Sunday Post* has not commented on the institutions during the past few months, or even the past few years. It does not have any answers. It realises that harsh treatment is not the answer, and has made that point clear by its silence.

Options are open to us. There is now a concensus on penal matters in Scotland which affords the Minister the opportunity to move forward with public support on a programme of reforms, especially for young offenders. The modest proposal that I have put forward tonight would give the Secretary of State an opportunity to do something that is desperately needed, if only to allay the fears of parents, to improve the morale of the prison staff and, most important of all, to try to prevent further tragedy.

Lord James Douglas-Hamilton (Edinburgh, West): I listened with great interest to the hon. Member for Clackmannan (Mr. O'Neill). Like him, I represent a considerable number of prison officers. The hon. Gentleman made an interesting speech on an important subject.

All too often, prisons have been the forgotten sector of Scottish politics, but they are vital not only for prison officers, social workers and prison visitors but for the relatives and the prisoners. All have a vested interest in the prisons operating effectively and in ensuring that really severe problems do not arise.

I have considerable sympathy for the aim behind the new clause. The May committee recommended the setting up of the inspectorate of prisons. At that time, the committee clearly saw the need for an independent and impartial overview of prisons. That principle is now generally accepted, but when the May committee reported, although the governors and staff associations accepted the idea of an inspectorate, there was some objection from administrators. However, the inspectorate was set up, and it has performed a valuable function. Mr. Phillip Barry has completed several reports and many of his recommendations have been implemented. They have been useful in highlighting the need for improvements.

7.30 pm

As for Glenochil, what we say today is necessarily constrained by the sub judice rule and by the fact that a working party was set up last year by the Secretary of State to consider precautions when dealing with possible suicides. I hope that my hon. Friend will ensure that its report is published as soon as possible, because then it will be much easier to see what steps can be taken. By that time, the review of the possible options for the future of the prison system should also be available.

I ask my hon. Friend the Minister to consider setting up a small standing committee of professionals who could perform the necessary investigations as and when difficult circumstances arise — a sort of watchdog committee. The hon. Member for Clackmannan talked about a standing commission. It might not be necessary to have such an impressive body; a small standing committee might be more appropriate. It would need to be largely independent. A similar committee in the past may not have been completely effective, but the Scottish Select Committee of more than 10 years ago was not completely effective either, although since it has started again it has worked actively and had a substantial effect. A similar committee could serve a useful purpose.

Mr. Dalyell: I do not wish to make a cheap debating point about this being another quango, but after what some Conservative Members have said about quangos, how will the hon. Gentleman defend another one? Secondly, with some good will towards his suggestion, what does he say to the argument that it is rather a cop-out when dealing with extremely awkward problems?

Lord James Douglas-Hamilton: Genuine problems must be considered seriously, on their merits. I do not believe that Members of Parliament are competent to do the job. It is difficult for an all-party committee completely to grasp what is going on. Even if the Scottish Select Committee were to take on the task — it has other priorities on its agenda—it could not easily do justice to the subject. A small committee of professionals to investigate cases as and when they arise would be the best way forward.

Several serious points should be made. First, is the Minister satisfied that information about incoming prisoners is arriving quickly enough at prisons and other

[Lord James Douglas-Hamilton]

penal establishments? Is there a satisfactory computer system? Other institutions in Scotland have no problems with suicides. Although the Minister will not be able to do this until the working group has reported fully, will he consider whether there is a danger of imitative behaviour? On 5 November last year, *The Guardian* quoted the deputy governor of Glenochil as saying that

"deaths by hanging were having a knock-on effect."

Further, there is no provision in the law for re-sentencing if it is discovered that a custodial sentence is unsuitable. The Solicitor-General and the Minister will be aware that there has been a substantial expansion in community service orders, which have worked well. Diversion schemes have also been successful. If a youngster cannot cope with the regime, for a variety of reasons, a mechanism should be available to deal with him so that, if necessary, a tough but constructive non-custodial sentence can be applied.

What about the future of the special units? Should they be available only to dangerous prisoners who must be kept out of circulation, or will other special units be set up for those who are prone to commiting suicide? One criticism from the Scottish Council for Civil Liberties was that only one 40-minute visit a month is permitted at Glenochil, which it believes is too harsh. The Scottish Association for the Care and Resettlement of Offenders called for a code of practice for the treatment of young persons in custody. It recommended that medical officers at penal establishments and prison staff be trained in understanding immature patterns of behaviour. It also argued for continuity of supervision for youngsters in custody, and for a re-assessment of procedures in relation to behavioural problems.

That organisation also said that strict suicide observation in special solitary confinement cells with canvas bedding and a canvas smock for clothing was dehumanising. The other side of the story is that, if youngsters have committed serious offences, they should be dealt with firmly under a strict regime. The criticism is not directed primarily against firmness under a strict regime; it is that, in some circumstances, prisoners cannot cope with their conditions.

Those of us who have been in the Army—I was in the Territorial Army for about 10 years—have some practical knowledge of what a short sharp shock means. But it is different for volunteers. Some do not mind it, a few like it, and some do not like it at all. But if someone cannot cope in the Army, he can be asked to leave. There are no volunteers in a detention centre.

I have the highest regard for the prison service in Scotland. However, as the hon. Member for Clackmannan said, there is a problem of public confidence, morale and parental anxiety. As a matter of common sense and experience, if something is believed to be not quite right, there should be scope for an investigation, to be followed by the necessary action.

Mr. Maclennan: The hon. Member for Clackmannan (Mr. O'Neill) moved his new clause with all the knowledge that comes from having lived with the problems of Glenochil for many years. He has a detailed and sympathetic understanding of the predicament of prison officers who are asked to provide custodial care for those who, as a result of our laws, we send to prison. He made a powerful and effective speech with which I agree almost completely. His argument went beyond the tragedy of the self-inflicted deaths of recent months to the underlying causes. That is the appropriate tack in a debate on the reform of Scottish law.

The Social Democratic party wholeheartedly supports the hon. Gentleman's recommendation of a standing commission on sentencing policy for young offenders. However, there is one small caveat. He suggested that the commission's duty should be to report to the Secretary of State on any matter which the Secretary of State sees fit to refer to it. I believe that it should do more. It should have the power to initiate inquiries and to make recommendations when it chooses; it should not be confined to acting upon the submission of issues by the Secretary of State. One of the defects of the Law Commission is that it relies upon a reference. That limitation should be avoided.

Mr. O'Neill: I was proposing an additional role, so that the commission can examine specific problems put to it by the Secretary of State.

Mr. Maclennan: In that case we may need only a drafting amendment.

This is not an appropriate time to dwell at length on the recent tragedies at Glenochil, which are subject to fatal accident inquiries. I have no doubt that Dr. Chiswick's committee will have relevant comments to make.

Ministerial responsibility is involved. No recognition is reflected in ministerial action of the need for an investigation into the seven deaths at Glenochil since 1981 to see whether there are any connecting factors. Separate fatal accident inquiries cannot deal with the circumstances of other fatal accidents. The scope of the inquiries is too narrow and their remits are inadequate.

The terms of reference of Dr. Chiswick's committee have been widened since the latest death, and an early report has been called for, but the terms are too narrow to examine the causes. The committee is considering how best to prevent a fatal accident or self-inflicted death, but it cannot cover all the issues discussed by the hon. Member for Clackmannan. It cannot consider whether people admitted to Glenochil are properly or wisely admitted.

The hon. Gentleman provided us with interesting information about the number of people who had been on suicide observation in the last two years. The statistics are terrifying. How could 75 people with suicidal propensities be admitted to the detention centre in 1984? Should such people be admitted to such custodial care? We must go into that in greater depth.

In response to periodic expressions of dismay that have accompanied the announcement of yet another death, the Government have drawn back behind a stockade of self-defence, as if their reputation were as important or more important than the future of such custodial institutions. That has added to, not diminished, public anxiety. Some recognition of the seriousness of the problem would have resulted in a different response from the Government.

7.45 pm

The proposal for a standing commission is wise. We should look beyond our own experience in the United Kingdom and take account of United States experience. In New York, all young offenders in one year were discharged from custodial treatment. The consequences of that are worth examining.

My experience is limited to constituents who have received custodial sentences. I have observed a high rate of recidivism. In England, it is as high as 70 per cent. The Home Secretary has admitted that the short sharp shock treatment has had a negligible effect upon a person's propensity to commit crime. The 70 per cent. figure applies to the only part of the United Kingdom where studies in depth have been conducted by academics of quality and ability.

Custodial treatment is more common in the United Kingdom than in all other European countries. It does not seem necessary for us to stick with the penal philosophy favoured by this Government. I cannot discharge the present Government from responsibility for that, because they are making a virtue of extending the principle of the short sharp shock treatment. I recognise that such treatment is not formally applied in the young offenders' institutions.

The Minister claims that nothing has changed since the Conservatives came to power. However, changes have taken place in the numbers of people in such institutions —some falling off in numbers has occurred—and there has been a change in the type of person sent to them.

We want more than a response to individual tragedies. We want a thorough examination of sentencing policy for young offenders in Scotland so that we might avoid using custodial treatment which coops up some of the most inadequate and deprived people in our society. For them there is little prospect of becoming normal citizens because of deprivation, which forms an inevitable part of custodial treatment. I do not criticise those who look after young offenders, but those young offenders are less likely to become normal citizens after they have experienced such custodial sentences.

Some of my constituents have responded badly to custodial treatment. They came through the ordeal, but it did them no good. In certain circumstances such treatment is unavoidable. Society must detain in custody certain young individuals, but only a small number need that treatment. Experts increasingly take that view.

Major public expenditure implications are involved, because the alternative to custodial treatment is not cheap. Community service orders, day care orders and other tried methods are extremely expensive to administer. The Scottish social work departments are over-stressed, and the Government are putting yet more pressure on them. If the Government want to avoid tragedies, they must find alternatives to custodial sentences. They must recognise the inappropriateness of their retributive penal policy and the need to provide a humane alternative.

Mr. Buchan: My hon. Friend the Member for Clackmannan (Mr. O'Neill) was right to use the Bill to raise a burning issue. I congratulate him on what he said, especially as an inquiry is being held. The hon. Member for Caithness and Sutherland (Mr. Maclennan) was right to say that, given the background of Glenochil, it would be insufficient to have merely a fatal accident inquiry.

We are told that there is no apparent connection between the deaths at Glenochil. That, in itself, is disturbing. If there is no apparent connection, the number of deaths must be related to the regime or to the area.

Those of us who feel in our bones that the short sharp shock is wrong do not believe that other custodial solutions will necessarily produce magnificent results. As a former Minister, I know how weary we are after all the attempts to reduce the rate of recidivism. Few of our attempts succeed.

However, some regimes can give hope, both to those who work in the institutions and to those who serve sentences there. Some regimes deaden hope, which must create recidivism. The special unit at Barlinnie had success with a much more serious category of prisoner. Hope must be provided.

The most important point made by my hon. Friend the Member for Clackmannan was the concept of sentencing being done by the courts, but the handling of the prisoner being done by the Executive. There is no reason to assume that the person who judges and sentences necessarily knows the best form of custodial treatment for an offender. There should be a much more flexible response, whether by introducing a delay before sentencing, so that the Executive can examine the case and decide whether to endorse a form of treatment, or by providing that, if a custodial sentence is passed, we should consider what sort of place is appropriate.

In addition, there should be much freer movement between institutions, though not on the lines of the Bill, which says that if a young person has been to a detention centre he must subsequently go to a young offenders' centre. It must be wrong to adopt that attitude towards young people.

We must make sure that we do not create a beleaguered attitude among the staff. They are as much the victims of the situation as the rest of society, and they are in the front line.

All the evidence about the short sharp shock treatment shows that no improvement results from it. It was nonsense to bring back that treatment.

It is said that there is no relationship between the seven cases at Glenochil, but the incidents appear to be related to the people involved being about to undergo a change — perhaps going for an interview or about to be released. We sometimes forget that there are not only prison and staff regimes. There is also the regime of the prisoners who get information from staff and from inmates as they move from one place to another. That regime has its own mythology, folklore and rumours. It can be frightening and panicking for someone facing a change. One of the young people who died at Glenochil was about to be released, or perhaps he was about to see the governor. In any case, the stories spread. I wish that more studies were made of that aspect.

Like the hon. Member for Caithness and Sutherland, I was horrified by the numbers who had made suicide attempts and so on. We must deal with that problem. Supervision is not enough.

I support the suggestion in the new clause that the standing commission should consider not only sentencing policy, but custodial treatment, care assessments and rehabilitation. It must be a continuing process, and we must give hope to the staff and to the inmates. Above all, we must have the sort of mechanism that makes changes easier if it is obvious that a regime is not appropriate for an inmate. We must not be bound to a hard and fast regime.

We cannot separate one inmate from the mythology in an institution. Nor can we have the 100 per cent. supervision imposed by television cameras. That creates its own terrors and problems.

[Mr. Buchan]

We must have flexibility. The standing commission should consider sentencing, and, if custodial treatment is recommended, we must decide the nature of that treatment and the place to which the offender should go. That would at least allow us to deal with the situation and to offer hope, above all to the staff.

Mr. Dalyell: I agree strongly with my hon. Friend the Member for Paisley, South (Mr. Buchan) that the staff in institutions — I do not believe that I have any constituents who are staff—should not feel beleaguered. That is most important.

I speak with muted reticence about teenage suicides. I thought that I knew the son of a right hon. Friend of mine very well. I chatted to him at length one day, but found out that a fortnight later he had hanged himself, in circumstances that my right hon. Friend the Member for Clydesdale (Dame J. Hart) and others know about. Great tragedy has struck the teenage children of hon. Members on both sides of the House and of many other people. Who can know what goes on inside the heads of those young people? I am reluctant to pass judgment on a subject that few of us or anyone else can claim to know much about.

A constituent in Winchburgh contacted me the day after the most recent tragedy at Glenochil. She was going round the proverbial bend about what would happen to her son. I do not criticise the staff at Glenochil, because I do not know enough about the centre. However, is it a fact that visiting arrangements have been less than flexible?

I was given the impression by the family in Winchburgh that they would go to Glenochil far more often if they were allowed to do so. Whatever the harshness or otherwise of the regime, it is important that any family ties—some teenagers do not have much of a family life—should be encouraged, within reason, at every turn. I should welcome a response from the Minister about visiting.

It is partly for that reason that I am not unsympathetic to what the hon. Member for Edinburgh, West (Lord James Douglas-Hamilton) said about having a committee. That might help in many cases.

Mr. Dewar: We have had an extensive debate and I do not wish to prolong it unnecessarily.

I pay tribute to my hon. Friend the Member for Clackmannan (Mr. O'Neill) not only on tabling the new clause and allowing us to raise a number of issues about the custodial treatment of young offenders, but on his constructive and dignified response to a most difficult constituency problem—the tragic series of incidents in the Glenochil complex over the past three or four years. I have some inkling, as have other hon. Members, of the pressure that can be placed on the local Member of Parliament to go for what one might call a high profile response. In this case, my hon. Friend has resisted that pressure for the best of reasons and in the best traditions of the House.

8 pm

It is right that we should be debating this issue, because there is undoubtedly a great deal of public anxiety over it, and we should reflect that in Parliament. We must try to put what have been tragic events into some perspective, and discover the best framework within which the staff, who have the unfortunate job of supervising persons serving custodial sentences, can operate. An enormous spotlight has been turned on the issue because of the suicides since 1980-81. It is clearly a subject of tragedy, of high emotion, and sometimes, in terms of public reaction, of anger.

I join those who recognise the problems that face the staff. I do not want any sort of accusatorial procedure to be established. We should ensure that the staff are not, in some way, placed in the dock for what has happened. To do that would, by and large, be unfair. I also caution taking a sceptical approach to some of the remarks that have been made. I say "some", because they must be properly investigated.

For example, some statements that have been made about the way in which the staff operate and the way in which the regime is run within the Glenochil complex.

In that context, we had an interesting example of the need for caution with the sensational letter that received widespread publicity at the time of one fatal accident inquiry in 1983. Subsequently, the young man who wrote the letter, in which he made the most lurid accusations of assault, drugs and extortion in the detention centre, gave evidence at the fatal accident inquiry and confessed that he had never been in the detention centre and had no direct knowledge of any of the events described in his letter. They had all been inventions of his imagination — a form of attention-seeking of a most destructive kind. I mention that because it is important to try to take a balanced approach to the problem.

I intend to make some critical remarks about the way in which we have organised the regime and about the detention centre procedure. It is important to remember, though sometimes easy to forget, that we are considering a complex that contains two separate institutions and two different approaches and regimes. Although much of the criticism has centred on the short sharp shock approach, as it is called, five of the seven deaths occurred in the young offenders' institution, some involving young men facing lengthy sentences.

The last one — a tragic case, the details of which appeared in a newspaper, so I am not breaking any confidences by repeating the personal details — concerned a young man who came from a fractured and sad background, an example of the inadequacy of many such young men. He had been to a detention centre originally; he had been at Friarton and was transferred, because of his instability, to the young offenders' centre at Glenochil. He was typical of the individual problems with which the system must cope, but with which it has obviously been failing to cope, in the most final sense, considering the number of individuals concerned.

I have much sympathy with what my hon. Friend the Member for Clackmannan said in favour of the new clause. I argue for an overall review, on a permanent basis, of the way in which the system is operated. There is undoubtedly much scope for reconsideration of the way in which we carry out the sentences imposed by the courts and the form of custody that we inflict on the young men concerned.

I welcome the fact that an inquiry is now going on into the way in which suicide-risk inmates are dealt with at Glenochil. Nobody would cavil that such an inquiry should take place. However, we should go wider than that in our researches, and that is where the standing commission referred to in the new clause would come in.

A substantial mistake was made when we abolished borstal and the indefinite form of sentencing that borstal

training represented. I do not mean that we made a mistake in abolishing borstal as such. I supported that, and I still do. The mistake was what we put in its place. The Government decided to go for the detention centre as basically the only option for any custodial sentence between 28 days and four months. It was to be a one-road solution, the regime for all individuals and all seasons, with no flexibility and no attempt to consider the needs of the individual.

That was undoubtedly a mistake, and it was pointed out to the Government at the time by me and many other hon. Members. We opposed the proposal then, and nothing that has happened since—I am not referring specifically to the two detention centre suicides; I am talking of a broader perspective—has convinced me that I was wrong.

My hon. Friend the Member for Clackmannan spoke of a couple of spectacular mistakes in placement by the courts. He referred, for example, to the case of a boy with a physical defect of a dramatic sort who was clearly unfitted for a detention centre, yet who was sent to one. I recognise that such mistakes can happen. There is machinery in section 45(10) of the 1980 Act to deal with such persons. It allows transfers from detention centres to young offenders' centres. I gather that that provision has been used occasionally—almost always when there has been a specific, usually physical, problem which has made its use essential.

We need greater flexibility than that escape route allows. I believe that Ministers also take that view. Therefore, I welcome the fact that clause 43 of the Bill contains an important concession which recognises that a substantial number of youngsters who were going into the detention centre at Glenochil—and, no doubt, into the detention centre at Friarton—had been there once, or perhaps more than once, previously. Those youngsters created a substantial discipline problem in the detention centre. It is the law of diminishing returns if one believes that the detention centre concept is always effective. They created real problems for the staff.

In clause 43 we are legislating to prevent a continuation of that situation. That is a recognition of the fact that all is not well with the old, simplistic assumption that a detention centre must be right for everyone, that it does much for the backbone of a lad and aids his moral character. We have departed to some extent from that with this sensible provision in the Bill.

We made an error in going down the detention centre road. I checked the earlier debates and noted that, at the time, I did not call for the abolition of detention centres. I do not call for their abolition now. There may be a case for the retention of the detention centre as one of a range of options for the young offender. However, I repeat my strong feeling that to have it as the only option has been a narrow piece of legislation which has had unfortunate results.

There was a tendency for the Government to see it not simply as something which fitted their approach, but as a remarkably convenient move, for it could be represented, on the one hand, as being tough with the young offender, and, on the other, as a move which would save a considerable amount of cash because it would reduce the size of the population in young offenders' institutions.

I have had handed to me an interesting little publication, issued by the Conservative Research Centre, on the policy of the Government in Scotland. The document, issued a few days ago, in the section dealing with law and order, refers to a statistic that I have heard Ministers use in the House in recent weeks. It says that the number of youngsters serving custodial sentences has been reduced by 20 per cent. since the Criminal Justice (Scotland) Act came into effect.

However, I suspect that the number of admissions might show a considerably different picture because the population has dropped. When we abolished borstal, the average was nine or 10 months, and sometimes longer than that if satisfactory progress was not made. Now everyone on a summary complaints procedure faces a maximum of six months at a young offenders' institution, and many go to a detention centre. Inevitably, the number who were in at any one time was cut, but not necessarily the number of youngsters being admitted and experiencing the difficult transition into and out of a detention centre or young offenders' institution.

It is not my job to argue at great length tonight, but I genuinely think that that is the sort of area that we must consider. We should look back to the debates in 1980—for example, 12 June 1980—when the matter was first discussed. It is amazing to see the lack of research and what might be described as proper inquiry made by the Government before they took that dramatic change in direction in the way in which we deal with the young offender. It was Opposition Members who scrambled around reading articles in *New Society* and looking for documentation from the National Association for the Care and Resettlement of Offenders. We were trying to bring some logical facts to bear on whether the detention centre had a desirable effect and whether it reduced recidivism. For Ministers, it was merely a statement of faith, "We believe in the discipline. We believe in the short sharp shock." That was the end of the argument. I genuinely believe that, with Glenochil, we have misused an opportunity to look in a systematic, in-depth way at the impact of the detention centre and the results that it produces. We should do so before committing ourselves, as we did in 1980, to a road which, unfortunately, has been littered with the tragedies that we have been discussing for the past hour or so.

I still unashamedly prefer the solution in the first Criminal Justice (Scotland) Bill introduced by my hon. Friend the Member for Falkirk, East (Mr. Ewing), who was then the Minister in charge of the Committee. It was lost because of the 1979 general election. The House will remember that in clauses 36 and 37 we had something that looked very much like what was wisely commended by my hon. Friend the Member for Paisley, South (Mr. Buchan) — that the court should decide on the necessity or otherwise of custodial sentence. It decided the length of the sentence, but after that it was a matter for proper assessment as to whether it should be a detention centre, a young offenders' institution or some other form that might evolve in future. That proposal would allow greater sensitivity, which might lead to better results and give a new dimension to the job of a prison officer. I accept that it might be difficult for some to adapt, but I believe that almost everyone in that profession is conscious of the fact that the system can be rigid and limited, and that they must try to broaden the range of their activities, experience and sensitivities.

Therefore, I welcome the idea of a standing commission to go into the broader issues of policy that we have neglected and for which we in the House can be criticised.

[Mr. Dewar]

There are many other areas that I cannot and should not debate tonight. I have been talking mainly about the detention centre, but when we come to the young offenders' institution we encounter the problems of the young men who are shut in. The staff do their best, but it is a limiting and depressing regime for those young people for some years. There is the important matter of the possibility of getting greater variety in that regime, which the standing commission could consider, too.

8.15 pm

There is also the problem of transfers of youngsters showing signs of mental stress. I have been told by some senior staff involved in that work that if they approach a mental hospital and say that they are from Glenochil, doors slam in their faces because it sounds like trouble, and no one wants it. One does not want to see youngsters suffering from stress in the conventional closed ward of a mental hospital, which most mental hospitals are trying to move away from. The relationship between the young offenders institution and detention centre and the mental hospital should be looked at in view of some of the comments that have been made to me by people of genuine experience.

There is an enormous amount to be done in examining the alternatives to custodial sentence. I do not practise nowadays in the sheriff courts in Scotland, but I doubt whether they have changed very much over the past year or 18 months since my experience came to an end. Until recently, it was frequent to have a youngster in the dock, with the sheriff having before him a series of reports saying unanimously that community service would be a useful way of disposing of the case, and the boy might respond to it. However, the final, deadening remark at the end is, "No place is available." I recognise that there are genuine difficulties in getting the work opportunities implicit in community service orders, but there is also an enormous problem of a lack of resources. Perhaps the Minister will confirm that in areas of Scotland there is not just a lack of places, but the scheme does not operate at all. We should consider that. We should also consider probation and its use, and attendance centres.

Therefore, there is an enormous area to be covered. The one thing that has happened is that we have allowed the Government—perhaps we could not stop them—to go down a road which, in many ways, at least in custodial matters, has reduced the options, made the system more rigid and made it close in upon individual offenders. That is one of the things that has led to some of the troubles that we are now considering.

It is a sensitive issue. Clearly there will be variations of opinion upon it. Truth is never absolute, and it is hard to assess the results. We have a duty to continue to try. We certainly have a duty to take seriously the tragedies in the young offenders institution. We must sympathise with the staff and with the problems of an institution which is the place to which all troublesome youngsters are sent. If a boy is in trouble in Polmont young offenders institution, he will be transferred to Glenochil. If a boy shows signs of mental instability, he will be transferred to Glenochil.

There are special problems for the staff. I still believe that we are giving them a task that has been complicated by an over-rigid approach to the regime that should be available and that many youths will not, in detention centre terms, respond merely to the fact that they have to work through a series of grades that depend on taking a minute off their mile time or the ability to order their kit with almost military precision. That may be a useful regime, but it is not a universal panacea. The Government, in trying to make it so for a large proportion of the youngsters coming into custody, possibly took a wrong turning.

If we can get the wider perspective and in-depth examination that I am sure my hon. Friend the Member for Clackmannan is thinking about when he advocates a standing commission, we shall be doing a great deal to help future generations to cope with the distressing problems that we have experienced over the past three or four years.

Mr. Ancram: Rightly, this has been a lengthy debate on a very important subject. I join hon. Members who rightly acknowledged and endorsed the efforts that are made by those who work in such institutions. We all recognise that, in a sense, they are working for us. We owe them an acknowledgement of the work that they do. I am grateful to hon. Members who have done so tonight. I listened with care to the speech by the hon. Member for Clackmannan (Mr. O'Neill). He raised a matter of great public concern. I entirely share his regret at the tragic deaths in the Glenochil complex, a subject to which I shall return.

As the hon. Gentleman said to me, I hope that I do not sound patronising in saying this. I should like to thank him for the thoughtful and responsible attitude that he displayed not only tonight but during the difficult months that have passed. He has served his constituency well in so doing. That contrasts remarkably with some comments made by hon. Members, which have done nothing to achieve any confidence, but have done a lot unnecessarily to instil anxiety in the hearts and minds of parents who have children at that institution.

The Government are committed to the full investigation of those complex and distressing cases, but I should make it clear at this stage that in my view a statutory standing commission is not the answer. Nevertheless, I welcome this opportunity to debate the whole question of the treatment of young offenders.

First, it is important to set in context the issues that have been raised about custodial treatment of young offenders. Understandably, public interest and concern have been concentrated on those detained in custody. Detention, however, is the last resort, as the hon. Member for Glasgow, Garscadden (Mr. Dewar) recognised to some extent. Only a minority of young offenders are dealt with in that way. The court can sentence a young offender to detention only if it is satisfied that no other method of dealing with his is appropriate. Before doing so, the court must obtain information about the offender's circumstances, usually by way of a background report from the local authority social work department. Other, non-custodial, disposals are available and the courts rightly turn to them first. The figures bear that out. Last year, more than 50,000 young offenders appeared before Scottish courts, but fewer than 5,000 received custodial sentences. The vast majority—more than 90 per cent.—were dealt with in some other way.

A wide range of non-custodial options is available to the courts. The hon. Member for Paisley, South (Mr. Buchan) seemed to be suggesting that the non-custodial

options were too narrow, but the range available is very wide and it is still widening. The commonest, and often the most appropriate, is the fine, but probation is also widely used, especially for the under-21s, and community service is now available in most sheriff and high courts as a realistic alternative to imprisonment.

Mr. Buchan: I was referring to the options within the custodial structure. I was not dealing with the non-custodial options, of which there are certainly many. I believe that the custodial structure should offer a wider variety of regimes and institutions, ranging from the very open, almost teaching, environment to, inevitably, the extremely secure.

Mr. Ancram: I apologise to the hon. Gentleman. I thought that he was suggesting that some offenders who were inside penal institutions should be outside but that places were not available.

Mr. Buchan: That is true, too, but I was not making that point.

Mr. Ancram: The hon. Member for Garscadden referred to community service orders. I should point out to him that they are now available in three quarters of the Scottish sheriff courts and we are actively pursuing expansion of that system.

Mr. Dalyell: I do not wish to score cheap public points, but the Minister's briefing to the effect that the options are widening does not accord with the experience of those of us who have received complaints about the closure of the Guthrie school. That option should have been kept open. I do not make the point in a partisan spirit, but the hon. Gentleman must be careful about claiming that the options are widening.

Mr. Ancram: The closure of Dr. Guthrie's school is the responsibility of another Minister, so it would not be right for me to refer to it at the Dispatch Box.

The fact that there are now more ways to dispose of young offenders is reflected in the fact that fewer and fewer young offenders now end up in penal institutions. Our policy continues to be that non-custodial sentences should be developed further, as shown by our continued commitment to the growth of community service orders. Last year, 1,200 such orders were made for young offenders. Our recent announcement about fine-enforcement officers is further evidence of our intentions in that direction. The hon. Member for Garscadden questioned this, but the daily population of young offenders in penal custody has been reduced by 20 per cent. since the new sentencing arrangements were introduced in November 1983. The full figures for 1984 are not available, but the 20 per cent. reduction is a clear improvement.

The crux of the debate is, perhaps, that there will always be a minority of offenders for whom a custodial sentence is the only option in view of their response to previous disposals or, in some cases, the seriousness of the crime. Some young offenders defy all efforts at non-custodial restraint and continue to offend. Some have committed extremely serious offences and considerations of public safety as well as of criminal justice require the imposition of custodial sentences.

I believe that the Government have responded quickly and positively to the new opportunities for dealing with young offenders out of custody. The methods available to the courts are already varied and continue to develop, and they are being used in a constructive and reasonable way. The formulation and review of policy must be flexible so as to respond quickly as new opportunities and difficulties emerge. That is an important part of the Government's purpose. The same applies to the assessment of young offenders. The provision of information before a sentence is imposed is the responsibility of the local authority social work departments, to which guidance has been given by the Scottish Office—most recently in November 1983 in a circular setting out in detail the requirements of section 45 and schedule 5 of the Criminal Justice (Scotland) Act 1980.

The hon. Member for Clackmannan referred to the resources available to social work departments. A joint Scottish Office-COSLA working party comprising officials from the Scottish Departments, social work directors and financial advisors is currently considering the provision of social work services for offenders and I hope that recommendations will come forward for our consideration in due course.

Mr. Dalyell: It is desperately important to all our constituents that more resources should be made available. Is the Minister satisfied with the level of resources likely to be made available, because we have heard differently? In that context, the working party is extremely important.

Mr. Ancram: The hon. Gentleman will appreciate that a working party of this kind must assess whether resources are being deployed in the most effective way and, if so, what additional requirements there may be. We must await the results.

The decision as to the sentence is a matter for the court. I do not think that that fact was fully reflected in some contributions today. For young offenders who may be mentally disordered, there are arrangements for medical reports to be obtained and the court can make a hospital order rather than impose a custodial sentence. I should make it clear to the hon. Member for Clackmannan that that does not mean Carstairs.

Mr. O'Neill: I think that the Minister is about to slip around this, and I want to get him. God forbid that any of these offenders should be sent to Carstairs, but I am told by the prison authorities that virtually no other institution in Scotland is prepared to take them. They cannot find anywhere else to put these lads unless the nature of the disorder is such that the offender should never have been sentenced in the first place. That is the reality of the situation.

Mr. Ancram: A medical report has to be obtained and the question of accommodation follows.

The arrangements for assessment and classification of young offenders within the prison system are the subject of current research with the SHHD. That research will be made available to Dr. Chiswick's working group, so that he will have the benefit of it in reaching his conclusion. The changing pattern of offences and sentences by the courts inevitably means that adjustments are required in the allocation and use of penal establishments for young offenders. Apart from the reduction in the daily population of young offenders, to which I have already referred, the response and attitudes of young inmates need to be carefully monitored by the prison service. I can assure the House that this task is not overlooked and that great care

[Mr. Ancram]

is taken in the assessment and review of appropriate regimes for individual inmates. I shall, however, come to some specific changes that we have in mind a little later.

*8.30 pm

Recent concern about the Glenochil complex and continuing, generally uninformed, criticism of detention centres have tended to distract attention from other young offenders' institutions in Scotland. In the light of the subject of this debate, it is right that I should mention them. The open establishments of Castle Huntly and Noranside offer a contrasting and worthwhile opportunity for young offenders to serve custodial sentences in more congenial and open conditions. There is also a YOI at Polmont which deals with shorter-sentence young offenders and a number of young inmates remanded in custody by the court. I share the appreciation of the hon. Member for Clackmannan of the work done by the staff not only at Glenochil but at other establishments such as these.

I do not think that the type of standing commission which the hon. Member for Clackmannan suggested would add significantly to the considerable efforts that are already being made to improve sentencing and custodial care for young offenders. Earlier in the proceedings on the Bill, the House approved a Government amendment — the hon. Member for Garscadden referred to it — intended to ensure that, normally, young offenders receiving a sentence of between 28 days and four months appropriate to a detention centre would serve such a sentence only once in a detention centre. This amendment reflected experience with the new sentencing arrangements under section 45 of the 1980 Act. Obviously, my right hon. Friend the Secretary of State and I cannot interfere with the sentencing of the courts in individual cases, but I believe that we have responded positively to the changing needs of young offenders. We shall continue to try to do so.

There have been suggestions that detention centres should not continue in their present form. I understand that that is one of the contentions of the hon. Member for Clackmannan. I must emphasise that the brisk detention centre regime has operated in Scotland since 1960. It is followed at the Glenochil and Friarton detention centres. As Her Majesty's Chief Inspector of Prisons noted in his report on the Glenochil detention centre, the regime is positive and purposeful. I remain convinced that it is of great value to many young offenders who need time away from associates who might encourage them or lead them into other offences and a regime that is physically demanding but worth while in terms of targets for performance.

I accept that the detention centre regime is not suited to all young men who receive sentences of between 28 days and four months. Section 45 of the 1980 Act recognised that some individuals might be medically or physically unfit for the regime, and such individuals can be transferred to a young offenders' institution. As I reminded hon. Members earlier, there are other amendments which will mean that no one will serve in a detention centre more than once.

Mr. Dewar: This may be a misapprehension on my part, but I have the impression from talking to staff involved that the exceptional provisions of section 45— these provisions require the specific approval of the Secretary of State before a transfer is made—come into play only in cases of exceptional misplacements. An extraordinary example of misplacement has involved a boy with only one foot being sent to a detention centre. Will the Under-Secretary of State assure me that, if the governor of one of these institutions approaches him with the case of a boy who fails to cope, he will look sympathetically at any transfer request?

Mr. Ancram: Obviously, a detention centre sentence will not be imposed in special circumstances. That might be the case in examples of the sort given by the hon. Member for Glascadden. There are other cases in which a person is found not to be suited or is unable to cope with the detention centre regime. In such cases, the person can be moved. I do not want to go further on that point, because it involves a case on which, for obvious reasons, the hon. Gentleman would not expect me to comment.

Mr. Buchan: This might not be the appropriate time to make an in-depth analysis. If the short sharp shock institution is not suitable for young offenders, will the Minister consider using a variety of institutions? Clearly, this will require legislation. Will the hon. Gentleman say that his mind is open on this matter, so that a serious medical, physical or psychological condition does not have to be specified before it is decided that a particular boy should be not in that centre but in a different regime? If the hon. Gentleman were to open his mind to that proposition, he would allay many anxieties.

Mr. Ancram: Nothing I have said should suggest that I expect individual young offenders who are incapable of remaining within a detention regime to remain there.

Mr. Buchan: Not incapable.

Mr. Ancram: I have heard what the hon. Gentleman has to say. I have said that we are always looking at this matter in terms of trying to meet changing needs. The demand is not static; it is continually moving. We have responded to it as it has moved. Obviously, I shall carefully consider all the remarks made in this debate.

The suggestion for a standing commission and the other proposals for a large-scale public inquiry bring me to the serious concern that the Government share about recent deaths in custody. Self-inflicted injury or the death of a young man, perhaps at his own hand, are distressing and complex problems, as the hon. Member for Linlithgow (Mr. Dalyell) pointed out. Obviously, I cannot comment on the two most recent deaths which are still to be subject to fatal accident inquiries. I wish to emphasise, however, the seriousness with which the Government regard the problem and the importance which we attach to full investigation of the individual cases and the more general issues.

I resent the suggestion of the hon. Member for Caithness and Sutherland (Mr. Maclennan)—I should perhaps have expected that he would indulge in such language — that the Government are in any way complacent or are battening down the hatches as a result of these incidents. We take these incidents very seriously. We attach great importance to investigating them in the fullest possible way.

Mr. Maclennan: If that is so, why will the Government not agree to establish an inquiry that goes beyond the terms of a fatal accident inquiry to consider the conceivable nexus among the seven deaths?

Mr. Ancram: If the hon. Gentleman would let me make my speech in my own way, he might discover my view. The fatal accident inquiry has been criticised as inadequate by some people who, I suspect, have not read the determinations of previous fatal accident inquiries. The independent investigation of the facts and circumstances of a case is a vital first step. The sheriff principal or sheriff concerned has the opportunity to set up additional factual observatons or recommendations in his determination. The Government take full and careful account of any such observations or recommendations. Indeed, in the case of the fatal accident inquiry on William McDonald, which recommended the investigation that Dr. Chiswick and his working group are carrying out, the sheriff principal made several searching and important observations on the issues arising from that case.

The Government have taken full and careful account of those observations. The Chiswick working group on suicide precautions at Glenochil implemented a recommendation made by the sheriff principal. The Crown Office is taking steps to ensure that the fatal accident inquiries into the two most recent deaths take place as quickly as can reasonably be done, but I am sure the hon. Members accept the need for a full and thorough investigation as a basis for such inquiries.

There has been criticism of the scope and nature of the investigations by Dr. Chiswick's working group on suicide precautions at Glenochil. I emphasise that the working group is independent and that it has taken a great deal of evidence from within the prison service and from other bodies and individuals. The working group is free to examine and comment upon the wider issues arising from its remit. In view of concern about recent deaths at Glenochil, my right hon. Friend has made arrangements to ensure that the working group can complete its task more quickly and report by the end of June. We have undertaken to publish its report and the Government will want to give careful and detailed consideration to any recommendations that it makes or which emerge from the fatal accident inquiries into the two most recent deaths.

I do not wish to diminish in any way the concern or importance that the Government attach to these issues. I fully appreciate the force of the argument of the hon. Member for Clackmannan that there needs to be careful examination of the problems of dealing with young offenders, but, as I have emphasised, matters arising from the deaths at Glenochil will already be the subject of careful and independent scrutiny and my Department is continuing to monitor and respond positively to the changing requirements of young offenders in general. I do not exclude the possibility of further inquiries or investigations at a later stage when we have considered the full findings of the fatal accident inquiries and the Chiswick working group. We should not pre-empt those findings by considering further investigations or changes.

A number of questions were asked by hon. Members. My hon. Friend the Member for Edinburgh, West (Lord James Douglas-Hamilton) asked whether information about inmates was reaching prisons quickly enough. That is one matter with which I hope the Chiswick report will deal. He asked also about inmates sentenced to detention centres when they are manifestly unfit for it. I hope that I have dealt with that point.

The hon. Member for Linlithgow (Mr. Dalyell) asked about visiting frequency at Glenochil. Visiting entitlement was extended in most penal establishments last year. I shall study the arrangements at Glenochil in the light of what he has said to see whether improvements can or should be made.

The hon. Member for Caithness and Sutherland referred to the narrowness of the terms of reference of the Glenochil working group. I accept that its membership is professional. It comes from the caring professions. It does not include anyone from the judiciary. At the same time, the evidence that it is taking is wide-ranging. It comes from a number of varied sources. I suspect that the hon. Gentleman has spoken recently to a number of people who have given evidence. I believe that the working group is capable of coming to conclusions and making recommendations which will be valuable.

I said earlier that I would mention a number of measures that we are considering. Before Dr. Chiswick reports, we are continuing to take practical measures to improve the precautions and care of inmates who might be suicidal. I should emphasise the difficulty of identifying inmates who are genuinely suicidal as opposed to self threatening for other motives. That is a matter of which I know the hon. Member for Clackmannan is aware.

Work is being put in hand at Glenochil to make a secure hospital facility of a ward and a single cell so that strict medical observation can be provided in appropriate cases. In addition, immature or vulnerable inmates who are identified as requiring a more closely supervised regime will be transferred from Glenochil to the secure unit at Carrick house at Polmont. Carrick house is a facility which has been used for some time to allow vulnerable or immature inmates a respite from the pressure that they feel other inmates may put upon them. It is not new; it has been going for some time.

I must stress that governors and staff already make considerable and continuing efforts to deny bullies any opportunity for their activities and to ensure that weaker inmates are encouraged and helped to remain in normal circulation. For the small number who cannot cope, Carrick house will provide an alternative location. I am also arranging that all inmates who are found to be medically or physically unfit for the detention centre regime will be transferred to Polmont young offenders institution in the first instance as it is the establishment which normally deals with short-sentence young offenders. It may be necessary to transfer some of those inmates to Glenochil if they present serious security risks.

I mention those measures to emphasise the continuing flexibility and response to change which is day-to-day part and parcel of the custodial services for young offenders.

I welcome the fact that we have had the chance to debate this important matter. I hope that the hon. Member for Clackmannan will feel, in the light of what I have said, that his suggestions are unnecessary and that he will withdraw his new clause. The Government are determined continuously to improve the system and to respond to the changing circumstances and needs of those within it.

8.45 pm

Mr. O'Neill: I am not completely depressed by what the Minister has said. His last few remarks give us some

[Mr. O'Neill]

grounds for hope, but I am rather sad that he persists in viewing the young offenders' system with the tunnel vision that has characterised the Government from the outset. He refuses to look outside the two options which are open at present—the detention centre and the young offenders' institution. Within those parameters, there is insufficient scope for a flexible response.

I shall withdraw the new clause, because I realise that it is unrealistic, but it has provided us with a useful basis for debate, and I am happy about that. I must apologise, because I did not appreciate that I had spoken for as long as I did. I feel that we shall have to return to this subject. I wish the measures which the Minister has described a fair wind. We all hope that anything that is done will improve matters, but we may well see more tragic deaths before we find solutions to the problems towards which almost everyone who has participated in the debate has been groping. Until we find them, I cannot see the terrible problems diminishing. We know that they will never be resolved completely because people will have to be retained in secure custody because of the nature of the crimes that they commit. That is, however, no excuse for moving only at the speed of the slowest. That has, unfortunately, characterised the Government's response. To that extent I am slightly disappointed this evening but we have had a useful debate, and I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 9

MALICIOUS CONTAMINATION OR ALLEGED MALICIOUS CONTAMINATION OF FOOD

'(1) A person shall be guilty of an offence;

(a) If he without lawful excuse damages or otherwise contaminates an item of food by the addition of a substance whether or not the substance so added is harmful; or

(b) If he communicates any information which he knows or believes to be false to another person with the intention of inducing in him or any other person a false belief that an item of food has been contaminated, by the addition of a substance whether or not the substance which is believed to have been added is harmful.

(2) A person guilty of an offence under subsection (1) shall be liable—

(a) on summary conviction, to imprisonment for a term not exceeding two years or to a fine not exceeding the statutory maximum as defined in section 74(2) of the Criminal Justice Act 1983, or both; or

(b) on conviction on indictment, to imprisonment for a term not exceeding five years, or to a fine, or both.'.
—*[Mr. Shersby.]*

Brought up, and read the First time.

Mr. Michael Shersby (Uxbridge): I beg to move, That the clause be read a Second time.

I ask for the indulgence of Scottish Members for intervening on a Scottish Bill, but the matter that I wish to raise can only be considered in a Bill which involves the reform of the law. As there is no criminal justice legislation during this Session, I have taken this opportunity to table the new clause.

The substance of my new clause is as important to Scotland as it is to the rest of the United Kingdom. I declare an interest, in as much as I am a member of the Food and Drink Federation and of other bodies listed in the Register of Members' interests.

The purpose of the new clause is to make the malicious contamination, or alleged malicious contamination, of food an offence punishable by a substantial fine of up to £1,000 or by a term of imprisonment, or both.

Why is that necessary? The House will no doubt recall a recent case when a national newspaper was contacted by a group of people who were seeking to publicise their cause by attempting to inflict damage on a well-known firm of food manufacturers. The group claimed that it had placed a contaminated food product on the shelves of retail outlets in five cities in the United Kingdom. In fact, I understand that a note was placed in the product stating that it had been contaminated and that there was also a note on the exterior of the wrapping to the effect that the product was contaminated. The clear message was that the product was unfit for human consumption and could cause serious illness or worse.

The product sent to the newspaper had indeed been tampered with, but—this is the important point—no other examples of the product found on the shelves of shops throughout the United Kingdom had been tampered with. They did not contain any toxic substance, as had been alleged by the group concerned.

The items sent to the newspaper for publicity purposes had been subject to malicious contamination, but for thousands or millions of packs of the product on the shelves of shops throughout the United Kingdom and intended for human consumption the threat was no more than a hoax. For the manufacturer and the consumer, the hoax was serious and dangerous. It caused great anxiety in the minds of the public, even though the claims that the product had been tampered with were false.

While that anxiety was being caused, the perpetrators of the hoax appeared on television, broadcast on the radio and gave stories to the newspapers to publicise their cause. The spokesman for the group simply said that his group had tampered with a nationally known product. He did not speak as the person who had actually tampered with the product, and no charge was preferred, presumably because it was believed that no offence had been committed in England by that person.

Such a malicious hoax, causing great public anxiety, is a very serious matter for any food manufacturer or retailer. It is somewhat akin to the type of bomb hoax that was made an offence by the Criminal Law Act 1977. To indulge in such a hoax is to make use, or to seek to make use, of the nation's food supply chain as a weapon to advance a point of view or to seek some change in commercial policy. The problem is causing great concern to the Food and Drink Federation, to the food companies that belong to the Food Manufacturers Federation, and to the consumer. I believe that the time has come for Parliament to make it clear that the malicious contamination of food, or its alleged malicious contamination, is an offence that should be punishable by the full rigour of the law in the form of a substantial fine or a term of imprisonment, or both.

In England, Wales and Northern Ireland the law appears to be inadequate to prevent such highly undesirable and dangerous activities. The law in Scotland may be different. I hope that the House will be informed on that point when my hon. Friend replies to the debate. I hope that he will consider the matter carefully and be

disposed to welcome the new clause. Perhaps Scotland, which has a fine reputation for clear and sensible laws, will be the first country in the United Kingdom to clamp down on this objectionable and dangerous activity, which can have, and has had, such serious effects on several sectors of our community.

Mr. Conal Gregory (York): My hon. Friend the Member for Uxbridge (Mr. Shersby) has a great deal of knowledge of the industry concerned. However, I probably represent more confectionery companies and employees than any other hon. Member. As a Sassenach, and not wearing my kilt I hesitate to speak in such a debate, but my electors sell their beautiful product north of the border and I therefore think it right to make some brief comments.

From time to time anarchists appear in our midst, who cannot obtain support at the ballot box for their extreme views and, therefore resort to extremist means. I hope that my hon. Friend will take note of the views expressed by the confectionery trade, which seeks to produce good quality products which are not only enjoyed throughout the United Kingdom but contribute richly to our exports. It is not right that their products should be damaged by hoax calls and similar activities. I hope that my hon. and learned Friend will look kindly on the amendment.

Mr. Ewing: I apologise to the hon. Member for Uxbridge (Mr. Shersby) for not having been present to hear his opening comments.

The Opposition deprecate the actions of those who resort to such tactics. In the case of the Mars bars there was no infection, but the fact that the group concerned announced that it had done such a thing caused widespread fear and alarm. The Opposition want no truck with such behaviour. We have our views on the protection of animals, on field sports and on other issues. All such issues should be discussed in the political forum. However, in no circumstances will we condone or tolerate actions of this kind.

As I expect the Minister will explain to his hon. Friend, in the case of Scotland, the announcement by the group that it had injected the Mars bars with poison—although it had not in fact done so — caused the police to investigate the complaint. There is in Scotland an offence of wasting police time. If the perpetrators of that act had been discovered, they would have been charged with wasting police time. As always, Scots law—I do not intend to denigrate the English law, and I could not do so in your presence, Mr. Deputy Speaker — has certain advantages over the English legal system. Surprise, surprise — our High Court has the power to invent offences. The Solicitor-General looks surprised at that revelation. In the case of Malik v. Her Majesty's Advocate, when the selling of glue-sniffing kits was not an offence, the High Court invented the offence and Malik was convicted.

I hope that, if the police catch the perpetrators of the offences which we are discussing, they will be charged with wasting police time, or, if not, that the High Court will consider its ability to invent an offence. Having said that, I do not want to prejudge any case. I should not be answering for the Minister and be suspected of reading his brief, but I am sure that Scots law can deal with the problem to which the hon. Member for Uxbridge has rightly drawn our attention.

The Opposition strongly deprecate the actions of those who were involved in the scare which resulted in announcements about Mars bars and, latterly, turkeys and other produce. I commend the hon. Member for Uxbridge on presenting his new clause, but Scotland should be able to deal with such matters.

9 pm

Mr. John MacKay: I have listened with care to my hon. Friend the Member for Uxbridge (Mr. Shersby), who was kind enough to give me advance warning of his intentions. I also listened carefully to my hon. Friend the Member for York (Mr. Gregory), who has some interest in the confectionery industry. Some of the rest of us are trying to curtail our intake of confectionery to limit our waistlines. I also listened with interest to the hon. Member for Falkirk, East (Mr. Ewing).

The behaviour that we are discussing is to be condemned without reservation. It is deplorable, especially with products that are eaten mainly by children. Parents must be greatly alarmed if they think that their children's sweets might have been tampered with and therefore endanger their health. I am sure that the whole House condemns those tactics without reservation.

I can speak only for Scotland. Matters might be different south of the border. I do not think that we need the new clause, as the behaviour that we are discussing is adequately covered by the common law. We would not wish to contemplate legislative change unless we were satisfied that the common law was inadequate. Much depends on the circumstances of a case, but, bearing that in mind, common law charges which might be brought include extortion, breach of the peace — one of the essential elements of which is the causing of fear and alarm to the public — malicious mischief and, as the hon. Member for Falkirk, East said, the wasting of police time.

I am satisfied that existing law in Scotland is sufficient to ensure the prosecution of people who commit these crimes. If such crimes are prosecuted at common law, the maximum penalty can be substantial. It depends on the power of the court hearing the case. In the High Court, the maximum penalty by way of fine or imprisonment is unlimited. Serious cases could be taken to the High Court, so those who indulge in such activities should be aware that they lay themselves open to extremely severe punishment.

I hope that, in the light of what I have just said, my hon. Friend the Member for Uxbridge will not wish to press his clause. I know from what he said earlier that he wants to give this important subject an airing, and the Bill is a vehicle to that end. I hope that he has been assured that Scotland has the law to deal with such matters. In the High Court, we have the penalties which should cause anybody who contemplates such disgraceful action to have second thoughts.

Mr. Shersby: I am extremely grateful to my hon. Friend the Minister for those remarks. The Scottish law is apparently superior to the English law, but I am grateful to him for spelling out the position. I am also grateful to the hon. Member for Falkirk, East (Mr. Ewing) for what he said on behalf of the official Opposition. The issue is important, and it is quite clear that the parties in the House fully recognise that.

It is also useful to know that under Scottish common law such matters can be dealt with, that there are severe

[Mr. Shersby]

penalties, and that if such offences are perpetrated in Scotland they will be dealt with severely. I only hope that my hon. and learned Friend the Solicitor-General may feel inclined in the not too distant future to consider carefully the law in England, Wales and Northern Ireland to ensure that it has beneath it the same safety net as the Scottish law, as my hon. Friend the Minister has so clearly explained. I am grateful to my hon. Friend for his remarks, and for the opportunity of raising the issue in this short debate.

I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 10

AWARD OF EXPENSES WHERE DEFENDANT ACQUITTED OR PROSECUTION NOT PROCEEDED WITH

'Where—

(a) an accused is acquitted or

(b) an accused is charged with an offence and the prosecution is not proceeded with or is dismissed by the court or the court finds that there is no case to answer,

the court shall order the accused's expenses to be paid either out of the Legal Aid (Scotland) Fund or by the prosecutor.'.—*[Dame Judith Hart.]*

Brought up, and read the First time.

Dame Judith Hart: I beg to move, That the clause be read a Second time.

First I shall outline the background to the new clause, and the present position. Contrary to the position in England and Wales, the position in Scotland is that someone who is found innocent or who it is found has no case to answer cannot have his legal expenses paid unless he is a recipient of legal aid. About 10 years ago the Thomson committee reported on several matters relating to courts and procedures in Scotland. In one of its reports it looked at this issue rather briefly, and somewhat casually considered the arguments for changing the system in Scotland, and dismissed them. That was the last opportunity for considering the issue.

My concern arose originally from the juxtaposition of three constituency cases during the same period a few years ago. As the Solicitor-General and the Secretary of State will know, I tabled several questions seeking statistics, had some brief correspondence on the matter with the Lord Advocate, and was involved in an exchange with the Secretary of State for Scotland during Question Time. I asked the Secretary of State whether he would consider ensuring that expenses could be paid to accused people

"where the verdict is 'not guilty' or where there is a formal verdict that there is no case to answer."

He said no, and added that he remained persuaded by the assessment of the Thomson committee. When pressed a little further, he said:

"I must observe that any cases of genuine hardship are covered by legal aid. For people who are otherwise affected, there are other sources of aid. The Thomson committee went into the issue extremely carefully"—

I do not agree with that—

"and I do not believe that it would be worth while trying to second-guess by having a full review of the matter."—[*Official Report*, 30 November 1983; Vol 49, c. 874.]

That is the Secretary of State's position.

I shall briefly draw the attention of the House to some of the relevant facts. I believe that the 1983 figures are available, but I do not have them. However in 1982, in the case of crimes, 1,459 people had the charge against them withdrawn, and the number of those found not guilty was 3,424. In the case of offences, of those pleading not guilty, the charge was withdrawn in 1,830 cases and the person was found not guilty in 2,666 cases.

That gives us a total of about 9,400 people. They had pleaded not guilty, or they were found to be not guilty, or the charge against them was withdrawn. The question, therefore, is whether any of those cases were not covered by the Secretary of State's assumption that legal aid was available for genuine hardship cases and whether money was available from other sources for cases of real hardship. Is there any reason to suppose from those figues that there is not a great need not for second-guessing but for having a further look at the matter and coming to a different conclusion?

Inevitably, the number of cases varies between one part of Scotland and another. Because of my interest in two constituency cases, I obtained the figures for Lanark sheriff court and compared them with those for Scotland as a whole. I have no reason to suppose that there is not so great a variation between sheriff courts and the figure for Scotland as a whole as I found there to be between the Lanark sheriff court and the figures for Scotland as a whole.

The percentage of those who pleaded not guilty where the charge was withdrawn varied between 8·6 in 1980, 13·6 in 1981 and 12·1 in 1982. The percentage of crimes was almost constant at between 12·5 and 13·5. In the Lanark sheriff court, the percentage of those pleading not guilty where the charge was withdrawn rose from 2 per cent. in 1980 and 2 per cent. in 1981 to 37 per cent. in 1982. The figure of those pleading not guilty who were found not guilty in the Lanark sheriff court was more than double the figure for Scotland as a whole.

One consideration which clearly has to be borne in mind is that whether or not an accused person who pleads not guilty is found not guilty or has the charge against him withdrawn may be determined at least as much by the decision of the police and the procurator fiscal about whether to bring a prosecution. If that is so, the misfortune of somebody who finds that he has considerable legal expenses to bear can be placed at the door of others, certainly not himself.

I shall mention my two constituency cases, although not by name, in order to illustrate my point. One concerns a business man in a small way who was charged with reset. He was summoned five time to attend the Lanark sheriff court, and appeared in the dock for about one and a half hours. On each occasion his defence lawyers had to be at court. When the prosecution had brought their case, the sheriff ruled that there was no case to answer. This person's legal costs totalled about £1,100 but he was over the limit for legal aid. There was no professional association, trade union or any other organisation to help him. Therefore, he was brought to court on a relatively serious charge and was then faced with the personal problem of having to pay legal charges, even though the sheriff had ruled that the prosecution had not produced sufficient evidence to justify proceeding with the case.

My second illustration relates to a family who had been involved in a contretemps with the police. Fifteen charges had to be faced in the Lanark sheriff court. In the case of 13 of those charges it was found that there was no case to answer, while there was an aquittal in one case and the other was not proven. The legal costs for that defence were

£2,500. They were a modest family, living in a council house, but just over the legal aid limit when one took account of the earnings of those members of the family who were involved. That is not right.

9.15 pm

What did the Thomson committee argue? Let me take the essence of its argument. It said that the possibility of expenses being awarded against an accused could put indirect pressure on him to plead guilty. So it rightly rejected the idea that expenses could be awarded in that sense. It said that in the case of acquitted persons there had been strong public pressure for the introduction of awards of expenses. It said:

"It is argued in favour of the payment of expenses to acquitted persons that it is wrong in principle that a person who should not have been prosecuted should have to bear the cost of defending himself against a charge of which he is innocent. Some of the extreme cases mentioned by our witnesses as appropriate for the exercise of judicial discretion in an award of expenses to an acquitted person were where the Crown pursues a case with insufficient evidence or the prosecution fails and the cost of the defence results in undue hardhsip on the accused."

That is more or less the case in the two examples that I have quoted.

The committee then went on to deal with less likely cases:

"where there is gross negligence on the part of the Crown which results in an unjustifiable prosecution or where there is an obviously frivolous prosecution or where the Crown libels a manifestly exaggerated charge."

Those three categories are rarely met. However, the first category, as we have seen from the statistics, is, according to the judgment of the courts, found by no means infrequently.

The Thomson committee went on to say:

" We consider it important to bear in mind that many organisations and associations already make arrangements to assist financially accused persons in the conduct of their defence. For example, motoring organisations, trade unions, various professional organisations, insurance companies and local authorities."

That is a somewhat superficial statement. There may be many who are assisted in such a way, but equally there will be a number who are not. The law, if it is to take account of fairness and justice, must take into account the minority as well as the majority.

The Thomson committee did not even attempt to produce any evidence to support that statement. It just said that there would be motoring organisations and trade unions, but it produced not a scrap of evidence to support that claim. If the matter were investigated intensively, I doubt whether it would be possible to find convincing evidence to support that statement.

The Thomson committee went on:

"In addition, there is an extensive free legal aid scheme in operation which ensures that persons of limited means are not hampered in their defence and which would make the award of expenses to an acquitted person unnecessary in many cases."

Of course it would be unnecessary in cases where legal aid was awarded, but there are, as we know, particularly with the considerable limitations that are being defined for the award of legal aid, many cases in which there is no legal aid. The committee said:

"We do not think the number of people involved justifies the introduction of the system."

The committee spent a lot of time talking about a Canadian report but very little talking about evidence derived from the Scottish experience.

The Thompson committee's arguments were trivial. They did not take account of the needs of minorities or the extent to which the statistics — I assume that similar statistics were available at that time — showed the proportion of cases brought before the courts where a not guilty plea is entered and where a person is found not guilty or where the court says that there is no case to answer. Therefore, it is not a tiny minority. Natural justice demands that when a person is found innocent — or, even more to the point, where it is found that there is no case to answer — there should not be added to the anxiety the immense burden of legal expenses amounting to £1,000, £2,000 or even more.

The second reason for looking again at this matter is that if expenses were awarded to those found innocent or where it was found that there was no case to answer, that could be an effective consideration for the procurators fiscal and the police before they brought cases. That could only be good in ensuring that they re-examine the evidence before persisting in bringing a case to court. Finally, the cost would not be considerable in comparison with the exercise of justice that would be represented.

This practice cannot continue for another 10 years. It is all very well to accept the findings of a committee, but that was only one of its many findings. I venture to suggest that it did not have the full consideration that it deserved. If justice and common sense demand a change, there is no reason why the Government should not be ready to say, "Yes, we will look at this matter again. We do not rest on Thomson for all time. We think that it is a section in the report that is too insubstantial to give us ground to say that it must be true for all time."

Mr. Ewing: My right hon. Friend the Member for Clydesdale (Dame J. Hart) has raised an important issue. It is important to place on the record the difference between criminal legal aid and civl legal aid. Civil legal aid is entirely income-related and is either granted or refused following consideration by the legal aid committee. The same cannot be said of criminal legal aid. It is partly income-related, but in recent months there have been a number of instances when sheriffs have refused legal aid on the basis that the interests of justice would not be best served.

My right hon. Friend's new clause might not meet the point that she is trying to pursue, but I have reached the firm conclusion that there should be a system that when applications for criminal legal aid occur the sheriff should not refuse them, on the ground that the interests of justice would not be best served, when subsequently the accused is acquitted, or when even before the case comes to court, the Crown counsel decides to desert the case. It is obviously not a matter for the procurator fiscal. He does not have an interest in the granting or refusal of legal aid or even in the verdict of the court. His role is to decide whether, in the first instance, the case should be brought to court, and, in the second instance, to which court it should be referred—the district court, the sheriff court or, in exceptional circumstances, the High Court.

In view of developments during the past two or three years, there should be a system whereby an accused person who is refused legal aid on the basis that the interests of justice would not be best served, and who subsequently is not proceeded against or is acquitted, should have the right to return to the court and make a fresh application for legal aid. There must be injustice in the sort of case mentioned

[Mr. Ewing]

by my right hon. Friend. I hope that the Solicitor-General will be flexible in his approach to the problem that has been highlighted by the new clause.

The Solicitor-General for Scotland: I appreciate that the right hon. Member for Clydesdale (Dame J. Hart) has pursued this matter for some time and that she is probably more conversant with the provisions of the Thomson report than are many hon. Members. She has raised the matter more than once with my right hon. Friend the Secretary of State. However, at the outset I must say that I do not recommend the House to accept the new clause.

About 8 per cent. of those proceeded against for criminal offences in Scotland are acquitted. That includes cases where the judge or sheriff has directed that there is no case to answer. The right hon. Lady produced statistics based on what she discovered from Lanark sheriff court. I have no reason to doubt what she said, but she will appreciate that the position varies from one court to another and that there are differences in the rates of acquittal.

The important point to remember, although the right hon. Lady may not accept it, is that some of those acquitted will have had their expenses met from legal aid. The hon. Member for Falkirk, East (Mr. Ewing) talked about criminal legal aid in Scotland. Although his analysis was correct as far as it went, it is worth underlining the fact that Scotland has a non-contributory scheme. Therefore, once an accused person has been granted legal aid, his expenses will be paid. The civil legal aid system is different.

Other accused people receive help from schemes operated by motoring organisations, trade unions and others. I do not wish to go into this in detail——

Dame Judith Hart: The Minister asserts that many people are helped by other organisations. Could he at least ensure that the next round of statistic-gathering will provide that information? Instead of the Minister making an assertion without producing facts, let us have some facts.

The Solicitor-General for Scotland: During the recent unhappy miners' strike, legal aid was refused in some cases. I was told that some individuals would go into court unrepresented. I said in the House that if any hon. Member was aware of people going into court unrepresented, I should be interested to hear about it. It is extremely difficult for the prosecution to know when someone comes into court with a lawyer to represent him whether the accused is paying for the defence or whether an organisation is paying for it. All that is obvious to the prosecution is that the person is represented, and it would be improper to ask him who was paying the bill.

Mr. McKelvey: Of course, the National Union of Mineworkers, as one would have expected, paid the defence costs of the miners who were refused legal aid. I hope that the sheriffs did not expect that to happen when they refused legal aid.

9.30 pm

The Solicitor-General for Scotland: The point made by the right hon. Member for Clydesdale (Dame J. Hart) was that individuals would have to pick up the bill for their own defence. I was saying that other organisations, especially motoring organisations, picked up the bill for many people. It is difficult, if not impossible, for the Crown or the Government to discover who pays the bill when an accused person is represented.

Mr. Ewing: Some miners who are charged with offences arising from the miners' strike will not be represented by lawyers paid for by the National Union of Mineworkers. That is because the NUM has decided to represent only members charged with offences relating to picketing.

One of my constituents was charged with an offence arising from the miners' strike, but not picketing. He will not be represented by the NUM, and he has had to make arrangements for his own defence. I do not know whether my constituent has been granted legal aid, but it would be wrong to assume that the NUM is defending all its members who have been charged with offences arising during the dispute.

The Solicitor-General for Scotland: I did not suggest that. I was saying that trade unions, motoring organisations and professional bodies often pay the bill.

The case for such a provision, as the right hon. Lady said, was put to the Thomson committee. The right hon. Lady has expressed her views forcibly about its decision, but it rejected the proposal in its second report.

I have responsibility for procurators fiscal in Scotland and I take the view that they do not commence proceedings without the sound reasons identified by that committee.

Apart from those from the right hon. Lady, the Department has received no similar representations. The argument that legal expenses should be met from public funds has to be justified by need. In England and Wales, where costs in certain instances are payable to acquitted persons, costs are also awarded in favour of the prosecution in some circumstances. It is difficult to operate one arrangement without the other. There would be little enthusiasm for the suggestion that those who are found guilty should have to meet the costs of the prosecution.

Practical difficulties would arise in funding and administering the proposed scheme. The clause contains anomalies. If an accused person is charged with several offences—as often happens—but not all are pursued to conviction, or if the individual is acquitted, difficulties in relation to status and expense arise.

The right hon. Member for Clydesdale said that she did not think that her proposal would cost much. It is difficult to estimate the cost, but we are talking about millions of pounds.

There is no reason why such expenses should be met from the legal aid fund when under the present Scottish arrangements the accused would not qualify for legal aid or legal advice and assistance. Legal aid should be available only when the relevant criteria are met. I cannot recommend the wide extension proposed to the House.

The hon. Member for Falkirk, East (Mr. Ewing) talked about the interests of justice provision in the legal aid scheme. The hon. Gentleman will know that a consultation paper on legal aid was issued at the beginning of last month and the point that he made will be considered. It is an interesting matter on which the Government would like to receive views, but it does not arise directly out of the new clause.

I have little doubt that my answer has not satisfied the right hon. Member for Clydesdale, who is worried about

this complicated matter, but I hope that I have set out clearly the reasons why the Government are not prepared to approve the introduction of the scheme which she proposes.

Dame Judith Hart: I am disappointed, because the Solicitor-General for Scotland and his colleagues have closed minds on the matter. Their arguments are as frivolous as those presented in the Thomson committee report.

The Solictor-General for Scotland told us what proportion of people were found innocent and he said that most of them were on legal aid or had their expenses paid by other people. On that basis, his estimate of the cost of my proposed scheme was ludicrous.

The hon. and learned Gentleman equated the innocent with the guilty when he said that in England the defence might have the pay the prosecution's costs. I am worried about the injustice suffered by the small number of people against whom cases are not proceeded with — that is probably the fault of the police or the procurator fiscal —or who are found innocent when perhaps the charge against them should never have been brought.

What happens to the guilty should not bear too heavily on our consideration. I hope that the Government will continue to think about the matter and perhaps even have some new thoughts. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 12

BREACH OF THE PEACE (CHILD MOLESTATION)

'(1) Any person who commits a breach of the peace involving molestation of a child by putting him into a state of fear, alarm or distress or by threatening him, shall be guilty of the offence of breach of the peace (child molestation).

(2) Any person convicted of the offence of breach of the peace (child molestation) shall be liable on summary conviction to the same penalties as may be imposed by the justices or sheriff for the offence of breach of the peace.'.—*[Mr. Bruce.]*

Brought up, and read the First time.

Mr. Malcolm Bruce (Gordon): I beg to move, That the clause be read a Second time.

I ask the House to consider seriously my modest proposal. All hon. Members have received a letter about the matter covered by the new clause. It arises out of an incident in my constituency which worried two local ladies who felt that it raised a point of law that needed to be dealt with.

I pay tribute to those ladies for the way in which they have presented their case. They have done it in a thorough, responsible and balanced way. They have sought information from a variety of experts. I have had correspondence with the Minister, but he has not convinced my constituents that nothing can be done about the problem.

When a person has committed what any reasonable person would regard as child molestation—not involving contact or assault, but causing embarrassment or distress to the child—the response is to charge that person with a breach of the peace. The argument is that that is a general, catch-all charge which gives at least a chance of getting a conviction, which may satisfy the community that the person who perpetrated the offence has been dealt with.

However, the fact that breach of the peace is such a general charge means that it does not demonstrate to anyone investigating the record that the person concerned has been engaged in activities that make him unsuitable to be employed in jobs that bring him into close contact with children.

Somebody who has in some way embarrassed or distressed children—say, outside a school playground or while on their way home from school, as happened in a case in my locality — would be considered by most people to be unsuitable as a school janitor, as the driver of a school bus or as an employee in a local community centre or youth club.

The new clause proposes that such a person could be charged, if the police thought it suitable, with "breach of the peace (child molestation)". It is well understood that such records should not be available for public consumption, but when a major employer, such as a local authority, checked the records, it would be known from the definition of the charge that the prospective employee had been involved in a case which made him unsuitable to be employed in a job which involved contact with children.

Regrettably, there have been too many instances of people being employed in jobs of the sort with which we are concerned after they have committed offences involving children. In some cases they have gone on to commit more serious offences. The new clause is designed to ensure that such people are so categorised at the time of the first offence that they will not subsequently be put in a position, which would be a threat to them as well as to the children, where they would be exposed to the possibility of perpetrating similar, or perhaps more serious, offences. The system should not allow such offenders to filter through and again be employed in occupations involving children, so that when they offend again the public say, "That should not have been allowed to happen."

The procurator fiscal, or whoever was pressing charges, could use the charge that I propose at his discretion. In other words, it would be an additional charge rather than a supplement to an existing one. It would not remove what exists, but would add a new dimension. That would reassure parents who are concerned lest offenders who have offended in a minor way go on to commit a more serious offence.

The additional offence that I propose would not magnify the situation out of all proportion, but will provide law officers with an additional safeguard. It would be stronger than the catch-all charge of breach of the peace, a charge which does not tell people the nature of the original offence.

Mr. Ancram: I share the concern of the hon. Member for Gordon (Mr. Bruce) about incidents of child molestation. Such incidents can be traumatic for children, and even a minor incident can have a disturbing effect and be a source of great worry to parents. Incidents which have a specific and explicit sexual connotation are of particular concern, and that is especially true when young children are involved. I agree that we should do everything in our power to ensure that incidents are adequately dealt with.

The hon. Gentleman and I have been in correspondence on the matter, following approaches made to him by the constituents to whom he referred. Those constituents have also been in direct correspondence with my Department,

[Mr. Ancram]

which brought the matter to my attention. I, too, have been impressed with the concern that has been shown by the parents and with the businesslike manner in which they have approached their arguments for changes in the law.

The new clause seems to go wider than the concern expressed. It relates to all breaches of the peace as a result of which a child has been alarmed. That could result from any of what one might call ordinary breaches of the peace — for example, shouting abusive language outside a football ground or a fight outside a public house. That might alarm a young child, but the hon. Gentleman will agree that it would be wrong to seek to label an offender of that sort a child molester.

However, that illustrates the difficulty of drafting a workable provision in that area. My Department has been considering the matter for some time, and although we entirely sympathise with the objectives, we see great difficulty in pinning down in statutory language the sort of behaviour, presently comprised within breach of the peace, which nevertheless could be described as child molestation in some sexual sense, and which one would wish to see on an offenders' record for future reference. Almost any description of the behaviour that can be worked out seems to take it out of the realm of breach of the peace altogether and into some other common law crime — for example lewd and libidinous behaviour, which would be charged as such, and in relation to which the offender's record would be entirely plain.

Therefore, while I sympathise with the objective, so far I have been unable to devise a form of statutory wording that would achieve the desired effect. I do not believe that the present clause, as I have already explained, succeeds in doing so. Having said that, I should make it clear that my mind is not closed on the matter, because I recognise the worrying nature of the problem. I remain happy to consider any further suggestions or alternative means of approach that would reach that objective. I should be prepared to look sympathetically at any alternative formulation that may ultimately be forthcoming. I do not believe that the hon. Gentleman's new clause achieves the purpose in a satisfactory way; and I hope that he will withdraw it.

9.45 pm

Mr. Bruce: I am grateful to the Minister for that response, which deals adequately with the concerns that have been expressed by my constituents and the way in which they have gone about trying to promote their issue.

I accept the shortcomings of my new clause, which, I freely admit, was an opportunity to bring the matter to the House and discuss it a little more. From the correspondence that he has had, I think the Minister recognises that the existing charge of lewd and libidinous behaviour is too strong for the circumstances. My constituents are looking for something in between to deal with a particular situation. I accept that the new clause may not be the right way to do it. I appreciate the Minister saying that his mind remains open and that he is willing to consider alternatives.

I advise the House, and warn the Minister—although I think that he is aware of this already — that my constituents have written to numerous foreign countries to obtain guidance on similar circumstances elsewhere. There have been some interesting and useful replies. In a nutshell, the problem is that simple breach of the peace does not quite go far enough, but lewd and libidinous behaviour goes too far. There is a need for something in between. I appreciate the difficulties.

My constituents are looking for an additional option, not a replacement for an existing charge. They are looking for something which, if it were possible to pin it on someone who was guilty of the offence, would make it clear that it was a child molestation offence, whereas breach of the peace could mean almost anything and would not elicit the same danger signals.

I am grateful to the Minister for saying that he will consider the matter further. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New clause 13

INTERIM DETENTION IN PLACES OF SAFETY OF A CHILD, BEYOND THE CONTROL OF HIS PARENT

'In section 37(2) of the Social Work (Scotland) Act 1968, there shall be added at the end of sub-paragraph *(e)*, the following:

"*(f)* who is beyond the control of his parent.".'.—*[Mr. Wallace.]*

Brought up, and read the First time.

Mr. Wallace: I beg to move, That the clause be read a Second time.

The new clause is an amendment to section 37(2) of the Social Work (Scotland) Act 1968. That subsection gives a constable or any person authorised by the court, or any justice of the peace, the authority to take a child into a place of safety. A series of circumstances are listed in which the child may be taken into a place of safety. The purpose of the new clause is to add to the list children who are beyond the control of their parents.

Once taken into a place of safety, the child may be retained there until arrangements can be made for the child to be brought before a children's hearing. When a child is so taken into a place of safety, it is incumbent on the occupier of the place of safety, for example, the constable, to inform the appropriate reporter to the children's hearing of the circumstances of the case. At that point, certain duties are placed on the reporter, relating to the length of time that the child may be detained. If the reporter is satisfied that the child is in need of compulsory measures of care, wherever practicable he must try to ensure that the children's hearing sits on the first lawful day after the commencement of the child's detention.

Section 37 safeguards the interests of a child taken into detention. I seek to extend those provisions to children beyond the control of their parents. At present, various circumstances are laid down in which a child can be taken into care — offences committed by a member of the household, lack of parental care, and so on. In all those circumstances, the interests of the child are very much at stake. If circumstances come to the attention of a person authorised under that section suggesting that the safety and welfare of the child may be at risk because the child is unruly, perhaps frequently absconding from school and putting himself or herself at some personal risk, that may constitute something of an emergency and powers should be available to take the child to a place of safety. A reporter in my constituency told me of a case in which the

child had to be locked up in a police cell before the reporter could take any action. I am sure that all hon. Members agree that that is highly unsatisfactory.

During the passage of the Bill, letters have been received by hon. Members advocating this change and I am told that, at a recent meeting of reporters from all over Scotland, there was considerable if not unanimous support for such a measure. I believe that it is consistent with the general theme and purposes of the children's hearing system and it is based on the welfare of the child. I commend it to the House.

Mr. John MacKay: As the hon. Member for Orkney and Shetland (Mr. Wallace) has said, his proposal has been supported for some time by the Association of Reporters to Children's Panels, but I do not believe that it is appropriate to make the change at this stage, for a number of reasons.

First, we thought it right to include in the Bill a strictly limited number of social work provisions. Our intention was to include items which were self-contained, in the sense that they would not open up significant areas of wider interest which ought to be dealt with more systematically. We wanted to confine ourselves mainly to those which were generally agreed and did not require further consultation or were needed to clarify a matter on which the meaning of the legislation appeared to be uncertain. In looking at the proposal put forward by the Association of Reporters to Children's Panels we considered that there were wider issues involved.

Section 37 of the 1968 Act sets out various grounds on which a child may be taken to a place of safety in an emergency. One could roughly describe all those grounds as circumstances in which the child is a victim or possible victim. They are generally, but not entirely, similar to those set out in section 32(2) as grounds on which a child may be brought before a hearing, but they are clearly designed to relate to situations in which some dramatic change in the child's circumstances has taken place which requires immediate action and which justifies immediate removal of the child from his home. I am not convinced that a child getting beyond the control of his parents is that kind of emergency. I should prefer to look rather more broadly at the relationship between section 37 and the other sections of the 1968 Act dealing with compulsory measures of care, together with some of the procedures for dealing with children subject to such orders before agreeing to the changes proposed in the new clause.

It is also right to point out that the view of the Association of Reporters on the necessity of this amendment, although forcefully put, is not generally agreed by other interested parties. I understand that, for example, the Convention of Scottish Local Authorities and the Association of Directors of Social Work are not convinced of the necessity of this amendment. This reinforces my view that it would be preferable to avoid a piecemeal change at this stage.

In a sensitive area of law such as this, dealing with important distinctions between grounds for immediate action to remove a child and grounds for longer-term compulsory measures of care, where the distinctions between the grounds for action in relation to the child are real and important — although they are by no means easily made—it is better to take a wider view which is supported by all those most clearly involved. I hope that the hon. Member for Orkney and Shetland (Mr. Wallace), having aired this desire by the reporters to the children's panel, will agree to withdraw his motion.

Mr. Wallace: I have listened to the Under-Secretary of State. Although I accept that the provisions of subsection (2) relate to cases where a child is usually the victim, I suggest that there could be cases where a child has acted in a way that is beyond the control of the parents and has, almost by self-infliction, become a victim. In such circumstances an emergency could arise. I acknowledge the wider points made by the Under-Secretary of State. This matter must be seen in a wider context. It was probably implicit in the hon. Gentleman's speech that the Government have not shut the door and are prepared to listen in a continuing dialogue with the Association of Reporters to Children's Panels and others. Perhaps this matter can be dealt with at greater length in more appropriate legislation. This matter could well come up for discussion again. In those circumstances, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 14

MEMBERSHIP OF THE SHERIFF COURT RULES COUNCIL

'(1) The Sheriff Courts (Scotland) Act 1971 shall be amended in accordance with the following provisions of this section:

(2) In section 33(1) of that Act (Sheriff Court Rules Council):

(a) the words "one person appointed by the Secretary of State, being a person", shall be omitted, and the words "two persons appointed by the Secretary of State, being persons", shall be substituted therefore; and

(b) the words, "provided that at least one of the two persons appointed by the Secretary of State shall not be engaged in professional practice of the law in Scotland nor shall he be employed in the administration of justice in Scotland", shall be added at the end of the subsection.'.—*[Mr. Wallace.]*

Brought up, and read the First time.

Mr. Wallace: I beg to move, That the clause be read a Second time.

A degree of urgency seems to be creeping into the proceedings. The purpose of the new clause is to amend the composition of the Sheriff Court Rules Council. That council's statutory functions are set out in section 34 of the Sheriff Courts (Scotland) Act 1971. The council

"shall review generally the procedure and practice followed in civil proceedings in the sheriff court".

The council shall prepare and submit draft rules to the Court of Session. Thereafter, the Court of Session, by means of an act of sederunt, embodies those rules and they become the rules of the sheriff court.

The new clause has the support of the Scottish Consumer Council. This measure was one of the specific recommendations made by the council in response to the consultation paper issued on behalf of the Lord Advocate by the Scottish courts administration dealing with small claims. The small claims provisions in the Bill are contained in clause 18. We shall deal with some amendments to that clause probably sooner rather than later.

The theme behind the setting up of a small claims court in Scotland is that there should be more accessibility to the public. The purpose of the new clause is to introduce lay representation to the Sheriff Court Rules Council. The council comprises two sheriffs principal, three sheriffs,

[Mr. Wallace]

one member of the Faculty of Advocates, five solicitors and two persons, each of whom is a full-time sheriff's clerk. They are appointed by the Lord President of the Court of Session. One further person is appointed by the Secretary of State for Scotland and his qualifications are set down in section 33 of the 1971 Act. He is a person with "qualifications suitable for such appointment".

My understanding, on reading the "Parliament House Book", is that the gentleman who currently occupies that post is from the Scottish court administration. All members of the Sheriff Court Rules Council are involved in professional practice or in the administration of justice.

It is healthy for such a body to include outside lay representation. One of the most immediate functions of the legislation — assuming that it is not amended out of recognition by the other place—is to set up rules for a small claims court. I accept that the council presently consults outside interests, in particular consumer interests, at present when its draft rules are prepared.

We are dealing with access to the courts. That is not of interest solely to the professionals. It is of considerable interest to members of the public who are involved in the day-to-day running of the courts because they are pursuers or defenders. There has been lay representation on the Cowie committee which dealt with simpler divorce forms and the Dunpark working party which produced interesting proposals, some of which have been accepted, for the improvement of administrative justice in Scotland.

It being Ten o'clock, the debate stood adjourned.

Ordered,

That, at this day's sitting, the Law Reform (Miscellaneous Provisions) (Scotland) Bill may be proceeded with, though opposed, until any hour.—*[Mr. Archie Hamilton.]*

Question again proposed, That the clause be read a Second time.

Mr. Wallace: I am sure that, from the list of the great and the good which is kept in the Secretary of State's office, he would find at least one person representing lay interests who could make a worthwhile contribution and represent the general public who wish to have better access to the courts.

The Solicitor-General for Scotland: I have listened to the arguments of the hon. Member for Orkney and Shetland (Mr. Wallace) on previous occasions. I have previously said that the Government considered that the Sheriff Court Rules Council already had sufficient powers to enable it to consult whenever and whomsoever it wished. It is fair to say that that remains our view. The rules council has in the past shown itself willing to consult and to take the views of outside interested bodies where the subject matter of the proposed rules has shown that to be desirable. Such bodies as mentioned by the hon. Gentleman — the Scottish Consumer Council and the Scottish Association of Citizens Advice Bureaux—have made helpful and constructive contributions. They have welcomed the opportunity to be consulted. I think of their assistance in preparing forms for use once divorce moved to the sheriff's court.

It is not every subject for which court rules are required which necessarily lends itself to comprehension by a lay member, and on that basis my interest has always been that the appointment of a lay or non-legal member to the council will not always be to the benefit of the council, of the draft rules which it may be considering or of the general public. As the hon. Gentleman said, the council is already large. For those reasons, I conclude that the existing arrangements have worked satisfactorily.

Given the powers that the council has to consult and its readiness to do so, I hope that the hon. Gentleman will be prepared to withdraw his new clause.

Mr. Wallace: It is clear that the Government will not move on that. An increase of one would not make a great difference. There is a view that being in at the start is slightly better than being consulted. I recognise that there has been widespread consultation. I shall not press the clause to a Division. I beg to ask to leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Clause 1

LIMITATION ON USE OF PROPERTY HELD ON LONG LEASE NOT TO APPLY TO PROPERTY HELD ON CERTAIN RENEWABLE LEASES

Amendment made: No. 1, in page 1, line 12, after 'of', insert 'section 1 of'. — *[The Solicitor-General for Scotland.]*

Clause 2

POWER OF SHERIFF TO GRANT RENEWALS OF CERTAIN LONG LEASES

The Solicitor-General for Scotland: I beg to move amendment No. 2, in page 2, line 14, at end insert

'or appears to him would have been so due and payable had the landlord renewed the lease'.

Mr. Deputy Speaker (Mr. Harold Walker): With this it will be convenient to take Government amendments Nos. 3, 4, 5 and 6.

The Solicitor-General for Scotland: These are drafting amendments. They arise from the concern expressed in Committee by the hon. Member for Glasgow, Garscadden (Mr. Dewar). They relate to expenses and the power of the sheriff to distribute sums consigned into court. They are essentially formal.

Amendment agreed to.

Amendments made: No. 3, in page 2, line 21, after 'obligation', insert 'in or'.

No. 4, in line 25, leave out from 'so' to 'and' in line 26 and insert

'when he was obliged to'.

No. 5, in line 30, leave out subsection (6).

No. 6, in line 12, at end insert—

'(10) The sheriff's power under subsection (9) above extends to ordering that any award of expenses of the application under this section be paid out of any sums consigned in court under subsection (2) above'.—*[The Solicitor-General for Scotland.]*

Clause 7

INTERPRETATION OF SECTIONS 4 TO 6

Amendment made: No. 7, in page 6, line 33, after first 'landholder', insert 'or statutory small tenant'. —*[The Solicitor-General for Scotland.]*

Clause 13

AMENDMENTS OF MATRIMONIAL HOMES (FAMILY PROTECTION) (SCOTLAND) ACT 1981

The Solicitor-General for Scotland: I beg to move amendment No. 8, in page 11, line 3, at end insert—

'(1A) In section 1(1)*(a)* of that Act (right of occupying spouse not to be excluded from matrimonial home), for the words from "not" to the end there shall be substituted the words "to continue to occupy the matrimonial home;".

(1B) After section 1 of that Act there shall be inserted the following subsection—

"(1A) The rights conferred by subsection (1) above to continue to occupy or, as the case may be, to enter and occupy the matrimonial home include, without prejudice to their generality, the right to do so together with any child of the family.".'.

The amendment adds a new subsection to section 1 of the Matrimonial Homes (Family Protection) (Scotland) Act 1981. It will make it clear that the non-entitled spouse's right to occupy the matrimonial home includes the right to have any child of the family with him or her. In view of the difficulties that have occurred, we consider it desirable to spell that out rather than leave it to implication.

In Committee my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) said that a person who has the right to occupy a house has an implicit right to invite people into it. By spelling out the right of the spouse to have the children with him or her in the matrimonial home we shall avoid any implication that there is no right to invite others into it. The amendment makes it clear that the provision relating to children is without prejudice to the generality of the occupancy rights conferred by section 1(1) of the 1981 Act.

It also appeared to us on examination of section 1(1) that the occupancy rights under section 1(1)*(a)* are narrowly expressed as

"a right not to be excluded from the matrimonial home or any part of it by the entitled spouse".

It is not at all clear that that is a right to occupy, with all the rights normally implicit in the right to occupy, such as the right to invite others into the house. The amendment therefore amends section 1(1)*(a)* to refer to the right

"to continue to occupy".

It was also generally recognised in Committee that it was undesirable to define "child" too restrictively. Restrictions based upon age or other factors could cause anomalies. We have concluded that the definition of "child of the family" in section 22 of the Act is appropriate. This covers

"any child or grandchild of either spouse, and any person who has been brought up or accepted by either spouse as if he or she were a child of that spouse, whatever the age of such a child, grandchild or person may be".

If either spouse abused their right to have the children living with them, for instance by bringing in adult offspring who had no need to be there, the remedy of the other spouse would be to seek an order restricting or regulating the occupancy rights under section 3.

Mr. Ewing: The Opposition welcome the amendment. The Opposition put down an amendment in Committee, and the Government have kindly taken it away and redrafted it.

If this provision cuts across the amendments to the 1981 Act as contained in the Family Law (Scotland) Bill which we discussed in Committee this morning, I have no doubt that the Solicitor-General for Scotland will ensure that when the present Bill goes to another place it will be possible to remove any confusion that may have arisen.

Amendment agreed to.

The Solicitor-General for Scotland: I beg to move amendment No. 9, in page 11, line 19, at end insert—

'( ) for the words "the purchase of a matrimonial home by" there shall be substituted the word "a sale to".'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendment No. 10.

The Solicitor-General for Scotland: These amendments seek to meet two criticisms which the Law Society of Scotland has made consistently about the drafting of section 6(3)*(e)* of the Matrimonial Homes (Family Protection) (Scotland) Act 1981. Firstly, in section 6 we are concerned with the dealing of the non-entitled spouse with the matrimonial home. From the point of view of the non-entitled spouse the dealing is a sale, not a purchase, and should be described as such. The Law Society thinks the use of the word "purchase" is misleading, giving the false impression that the third party must be purchasing the property for use as a matrimonial home by the third party. Whether or not this is so, I agree it would seem more logical to refer to the dealing as a sale rather than a purchase, and the amendment makes this change.

The second criticism is that the use of the words "of a matrimonial home" in section 6(3)*(e)* gives the false impression that it is only competent to swear an affidavit in accordance with sub-paragraph (i) of that provision where the property is in fact a matrimonial home. In fact, it should be possible to swear these affidavits wherever the subjects are property which is potentially a matrimonial home. The words "of a matrimonial home" are unnecessary in the context and I agree that if they are causing confusion they should be excised.

Amendment agreed to.

Amendments made: No. 10, in page 11, line 33, leave out 'purchase' and insert 'sale'.

No. 11, in page 12, line 12, after 'and', insert 'at or'. —*[The Solicitor-General for Scotland.]*

Mr. Dewar: I beg to move amendment No. 13, in page 12, line 25, at end insert—

'(6A) In section 15(3) of that Act there shall be added at the end of the following "even if there are no grounds for believing that a criminal offence as such has been committed.".'.

At another time, this amendment might have given rise to a lengthy debate. However, I will briefly sketch in the purpose of the amendment and invite a reply from the Solicitor-General for Scotland. This is an attempt to amend section 15 of the Matrimonial Homes (Family Protection) (Scotland) Act 1981. The House will remember that subsection (3) deals with the power of arrest attached to a matrimonial interdict, and makes it clear that a constable

"may arrest without warrant the non-applicant spouse if he has reasonable cause for suspecting that spouse of being in breach of the interdict."

[Mr. Dewar]

Various discussions arose on the amendment, which I accept was not very practical. It would have made the constable's power to arrest mandatory rather than discretionary.

The Government rightly argued that that would be going too far. However, there is a genuine worry that at the moment, unless the situation is such that there is likely to be a criminal charge or that the constable believes that criminal charges will be mounted by the procurator fiscal, there is a tendency for the constable to walk away from the scene, regarding it as a domestic event in which the police have no real interest.

That was not the intention of section 15(3) nor, to be fair, was it the intention of the chief constables' guidance. Nevertheless, there is a widespread belief that it happens.

The amendment makes it clear that, under clause 15(3), the power of arrest still exists if there is a prima facie breach of interdict, even if there are no grounds for believing that a criminal offence has been committed. It underlines what we have all agreed—that when there has apparently been a breach of interdict, there is a discretionary power of arrest. There is no presumption that that power will not be exercised merely because there is not a circumstance which might give rise to a criminal charge.

I must put the argument in its most telescoped form. There is some virtue and value in adding these words to the statute in an attempt to deal with the misconceptions which still exist and mean that the matrimonial interdict, with the attached power of arrest, has not been used as frequently as the circumstances warrant and to make the statute stronger and more effective in achieving what was originally envisaged.

The Solicitor-General for Scotland: Amendment No. 13 would not alter the existing powers of the police. I appreciate that the hon. Member for Glasgow, Garscadden (Mr. Dewar) wants to emphasise that a constable may arrest a non-applicant spouse simply on grounds of suspected breach of interdict, even when no criminal offence has been committed.

The reference to a criminal offence would blur rather than clarify the distinction between this power of arrest and the power of arrest for an offence. The guidelines clarified matters concerning the power of arrest. As the hon. Member knows, we are examining them to see whether further clarification could usefully be made on this and other matters of concern.

The hon. Gentleman may recall that, in Committee, I said that I would raise this matter in any discussions that I might have with senior police officers. I fulfilled that undertaking when, like the hon. Gentleman, I was recently at Tulliallan. That is the better way in which to drive the point home. Such problems as might arise stem not from the terms of the legislation but from how it is implemented. In view of the undertakings that we gave in Committee to try to improve understanding of the provisions, I hope that the hon. Gentleman will be prepared to withdraw the amendment.

Mr. Dewar: I am somewhat alarmed to hear that the Solicitor-General has been following me to Tulliallan. I have been there twice this year. The first time I noticed some sinister gentleman from the Scottish Office at the back of the room taking copious notes. I did not have that burden the second time, but I now realise that the master was making inquiries in person. I note that.

At a serious level, the amendment was worth tabling. If we had had more time I should have probed and argued a little further. I take the Solicitor-General's point and shall not insist on this matter. I am glad to hear that he has already put in hand his discussions with police officers. I hope that we get a gradual improvement of and more familiarity with the intentions of the 1981 Act. I recognise that there will be no overnight change of attitude. On that basis, and in view of the assurances offered to me by the hon. and learned Gentleman, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 15

WITHDRAWAL OF PRIVILEGE AGAINST SELF-INCRIMINATION IN CERTAIN PROCEEDINGS RELATING TO INTELLECTURAL PROPERTY

The Solicitor-General for Scotland: I beg to move amendment No. 14, in page 13, leave out line 26 and insert—

'(2A) The proceedings referred to in subsection (2) above include—

(a) proceedings on appeal arising out of these proceedings;

(b) proceedings under section 1(1) of the Administration of Justice (Scotland) Act 1972 (provision in relation to the power of the court to order inspection of ducuments and other property etc.) which relate to civil proceedings falling within subsection (2) above which are likely to be brought.'.

Section 1(1) of the Administration of Justice (Scotland) Act 1972 empowers the Scottish civil courts to order, if necessary before the commencement of proceedings:

"the inspection, photographing, preservation, custody and detention of documents and other property"

about which the court considers that questions may arise in existing civil proceedings, or—this is the point of the amendment—in civil proceedings which are likely to be brought, and to order the production and recovery of such property.

Subsection (2) of claue 15 sets out the civil proceedings to which the clause as a whole is to apply. There is at present no mention there of applications under section 1(1) for a court order in relation to likely future actions. So, if the Scottish court were to grant an order for the production and recovery of goods or materials such as pirate video tapes, because it considered it likley that they would be of relevance in relation to probable future court proceedings for breach of copyright, the execution of the court order might be frustrated because clause 15 did not apply when likely future court proceedings were involved. Consequently, the privilege against self-incrimination would continue to be available. That would clearly be undesirable and the amendment sets out to remove that obstacle.

I commend the amendment to the House.

Amendment agreed to.

Clause 17

POWER OF SHERIFF TO ORDER SHERIFF CLERK TO EXECUTE DEEDS RELATING TO HERITAGES

Amendment made: No. 15, in page 15, line 8, at end insert 'relating to heritable property'.—*[The Solicitor-General.]*

Clause 18

SMALL CLAIMS PROCEEDINGS

10.15 pm

Mr. Dewar: I beg to move amendment No. 16, in page 15, line 38, at end insert

'and which are raised initially by the pursuer under the small claims proceedings or have been subject to a direction under section 37(2C) of this Act'.

We have tabled the amendment in order to obtain some idea of the Government's thinking. Those who served on the Committee will remember that clause 18 deals with small claims proceedings. In Committee we had an interesting debate—which we left with the Solicitor-General—relating to what happened when someone raised a summary cause. Apparently, in the Government's eyes, it would automatically translate into a small claims proceeding if it fell below a certain financial ceiling. In brief terms, there was a distinction between a system that envisaged a choice that might largely lie with the pursuer as to whether it was a small claims or a summary cause proceeding, and a system that automatically translated itself into a small claims proceeding. I preferred the first system. The Minister said that he would think about it, but I think that he preferred the second. I gather that the Scottish Consumer Council, which is just one of the interested bodies, has some sympathy with the first system, but is prepared to live with either.

I tabled the amendment simply to discover the result of the Minister's thinking.

The Solicitor-General for Scotland: The Government intend that in general every summary cause whose subject matter falls within the prescribed description for small claims will proceed as a small claim, irrespective of whether a defence has been stated. On that basis, in amendments that I shall shortly move, we propose to make provision for taking cases out of small claims procedures where difficulties of law or fact arise. We also propose to cover the question of the award of expenses in undefended small claims cases and the questions of abuse of procedure.

The effect of the amendment tabled by the hon. Member for Glasgow, Garscadden (Mr. Dewar) would be that a case might proceed as a small claim only if it fell within the prescribed description and if, in addition, the pursuer chose to raise the case as a small claim. The Government would not consider that to be either a practical or satisfactory way to proceed. I hope that the amendments to which I shall shortly speak will set out a framework for acting that will be satisfactory both to pursuers and defenders, whether they are consumers or those who are small business men.

Mr. Dewar: I shall await with interest the Minister's remarks. The subject is important and, unfortunately, we are having to take it at rather a sharp gallop. However, at this point at least I am happy to beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

The Solicitor-General for Scotland: I beg to move amendment No. 17, in page 16, line 9 leave out from beginning to end of line 15 and insert—

'*Expenses in small claims proceedings.*

36B.—(1) No award of expenses shall be made in small claims proceedings in which the value of the claim does not exceed such sum as the Lord Advocate shall prescribe by order.

(2) Any expenses which the sheriff may award in any other small claims proceedings shall not exceed such sum as the Lord Advocate shall prescribe by order.

(3) Subsections (1) and (2) above do not apply—

(*a*) to small claims proceedings in which no defence has been proceeded with;

(*b*) where the sheriff is satisfied that any party to the proceedings has acted frivolously, vexatiously or otherwise unreasonably in relation to the proceedings;

(*c*) in relation to an appeal to the sheriff principal.

(4) An order under this section shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.'.

Mr. Deputy Speaker (Sir Paul Dean): With this, it will be convenient to take amendment No. 18, in page 16, line 15 at end insert—

'(3) When the sum claimed or the amount involved in a small claims proceedings fall below a certain sum then no expenses shall be due to or by either party to the proceedings unless the sheriff certifies that the expenses have resulted from the frivolous or vexatious conduct of one of the parties to those proceedings and such sum shall be laid down by order made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament'.

The Solicitor-General for Scotland: Under the Scottish scheme as proposed, the cause does not become a small claim on the stating of defences. It starts off as that, and it is that aspect in particular that has given rise to legitimate concern not so much in relation to the recovery of the sum fixed for—since all the remedies available for execution of a summary cause degree will be available for a small claims decree—but rather in relation to awards.

Some hon. Members will remember that in Committee I said that the Government were sympathetic to the principle of a financial band for small claims within which no expenses would be awarded against a defender in favour of a successful pursuer, or vice versa. However, in the case of those major utilities and many others who use the summary cause procedure for debt collection, if such a no-expenses rule were to be applied universally, then for those debts that fell within such a band, small claims might well be seen as an invitation to debtors to avoid paying their bills, and even after court proceedings were successfully brought against them—having to pay not one penny more than was due at the outset—the pursuer would have to pay all his own expenses involved in bringing the action, and might be substantially worse off financially. We are in no doubt that it would be totally inequitable, since the whole object of our scheme is that there should be a fair and balanced approach to the bringing of small claims and to the award of expenses.

I shall explain the Government's proposals for a solution while dealing with the details of the amendments. Subsection (1) of new clause 36B makes it clear that no expenses are to be awarded where the value of the small claims proceedings does not exceed an amount to be prescribed. Subsection (2) provides that in relation to small claims falling between the limits prescribed for subsection (1) and the upper ceiling for small claims in general an award of expenses to be made is not to exceed such sum as would also be prescribed. Subsection (3) thereafter caters for what would otherwise be the possible injustices that might arise through abuse of the scheme. It provides for circumstances where the special no expenses or limited expenses rule for small claims is to be disapplied and the ordinary rule for the award of expenses in a summary cause is to be applied.

[The Solicitor-General for Scotland]

The circumstances are, first, where a small claim is undefended or where a defence is not persisted in, to take care of the difficulties which might otherwise arise for undefended debt collection; secondly, where a party has acted frivolously, vexatiously or in any other way unreasonably in the course of a small claim; we envisage this taking care in particular of a party acting in bad faith or in a dilatory manner with the object of frustrating the proceedings; and, thirdly, as at present in clause 18, when an appeal to the sheriff principal is taken from a small claims decision of the sheriff.

I consider that this is a reasonable approach for the clause to adopt. It maintains the general thrust and emphasis upon small claims and contains, I hope, encouragement for wider use by the general public of the courts for airing their grievances. At the same time it seeks to avoid the inequitable features which all members of the Standing Committee recognised. It will not have escaped the notice of hon. Members that the new clause 36B which replaces part of subsection (2) of clause 18 sets out the principle of our approach to expenses. The precise financial amounts are to be prescribed by order by my noble and learned Friend the Lord Advocate. I make no apology for this. I consider this to be the correct and proper approach to adopt.

Mr. Wallace: I do not demur from what the Solicitor-General has said: That the proper way to deal with it is by means of an order. In that way I hope that it can also be regularly reviewed. However, could the Solicitor-General mention the sums he has in mind for the initial order?

The Solicitor-General for Scotland: In Committee I said that in the first instance we were looking at a range between £500 and £1,000. However, I assure the hon. Gentleman that no firm decision has been taken. On the top limit to be fixed within which bounds will be set and levels of expenses determined, it seems to me that it is more sensible to wait until the point of introduction before determining what is the most appropriate level.

As the hon. Member for Glasgow, Garscadden (Mr. Dewar) appreciates, this is a very important innovation in the law of Scotland. For that reason I have had to take slightly longer over dealing with it. Nevertheless, I hope that the principles I have set out are now clearly understood. It appears from my recent correspondence with the chairman of the Scottish Consumers Council that that body understands what we are now seeking to do and in broad measure welcomes the banding approach that we have adopted.

Mr. Dewar: The Minister has been consistently helpful. Other organisations which take an interest in the matter have undoubtedly expressed that view, too, and it would be churlish not to put that on the record. I accept that negotiations and discussions must take place. However, the Solicitor-General referred to an upper limit for small claims proceedings of £1,000, wth the range lying between £500 and £1,000. I hope that he has not closed his mind to the adoption of the upper figure that was mentioned earlier. Although the maximum expenses award of £50 has disappeared as a result of the amendments, I presume that it does not mean that the Minister has changed his mind. If I am wrong about that, no doubt he will say so. If not, I shall assume that I am right.

The Solicitor-General for Scotland: For the purposes of illustration, if £500 were to be the figure initially seized upon, we would anticipate as presently advised having a £50 expenses limit and the band for no expenses due to or by would be at £150. That is the sort of relationship that I hope will give the hon. Gentleman some feel for what might be introduced if we were to go above £500.

Mr. Dewar: We might want to correspond on this point. As I said in Committee, £150 is on the low side, but as the orders will have to be finalised we can conduct the debate in another way.

Clause 18, 36B(3) says:

"Subsections (1) and (2) above do not apply—

(a) to small claims proceedings in which no defence has been proceeded with".

Does that mean that if someone raises what at the moment would be a summary cause, say for a sum which normally when it converts into a small claims proceeding would be below the no expenses limit, it only falls under the no expenses rule if it is defended? That seems to be what that is saying and it takes us back to that anomaly which led to some skirmishing in Committee, as the Solicitor-General will remember, where anyone in the welfare rights office or solicitors office would advise his client to lodge defences in order to get the benefit of the no expenses rule. That might have some anomalous and strange results in terms of equity and the position of those pursuing, say, trade debts. That seems to be the position still under the amendment, but I hope that the Solicitor-General will clarify that point.

Mr. Dalyell: I am in sympathy with what the Solicitor-General is trying to do but does the amendment help with vextious small claims? That is a problem that we all come across in our surgeries. Will the proposal in any way alleviate the problem?

The Solicitor-General for Scotland: Subsection (3)*(a)* is there because we are anxious to avoid a problem which seems to have arisen under the English proceedings that once a defence has been lodged, or whatever the comparable step is, thereafter one is brought into the no expenses due to or by provision whether or not one has a proper defence to pursue. That is an aspect of the arrangement which is open to abuse which we want to avoid. A small shopkeeper might find that he has a number of debts which people are not paying and it could lead him to considerable costs. By that provision we are seeking to make sure — it would have to be elaborated upon in rules — that there is an arrangement for individuals trying to abuse the system.

The hon. Member for Linlithgow (Mr. Dalyell) has referred to the very vexatious type of claim. We are trying to get a simple, cheap and effective small claims procedure, but at the same time we should not so develop things that as we manage to open one door it allows other people to come in and act vexatiously or to the detriment of others who are perfectly entitled to sue for their debts.

Mr. Dewar: I am probably being rather dim, but, as I understand it, a small claims proceedings in which no defence has been proceeded with will not be covered by subsections (1) and (2). That pulls two ways. It would mean that they would not get the advantage of the no expenses band, but it would also take them out of the protection of saying that any small claims proceedings should not have expenses above the limit set by the Lord

Advocate. On simple reading that might mean that in those cases normal expenses running above the small claims proceedings limit could be collected. In a counterproductive way, that seems to expose one danger while protecting against another.

Mr. Wallace *rose*——

Mr. Deputy Speaker: Order. We are getting into a muddle. We are not in Committee. The Minister had allowed an intervention.

10.30 pm

The Solicitor-General for Scotland: If the claim is within the band where no expenses would be due to or by, and if a defence has not been proceeded with, someone could not take advantage of the no expenses due to or by provision. That would protect the small shopkeeper where there is no proper defence. If the claim was larger and came within the band £150 to £500, the restriction on expenses would be £50 if it was defended in a sensible manner. In those circumstances, it would be for the sheriff to award expenses in the ordinary way.

The hon. Member for Garscadden will appreciate that if it were simply the making of a claim for an unpaid debt, we would not anticipate the amount of expenses being very great.

Mr. Wallace: I understand the matter as being that if no defence is proceeded with, that covers someone putting in a frivolous defence simply because he wanted to put in a defence to get round subsections (1) and (2).

It is unusual to have awards of expenses determined by statute in such detail. Sometimes a perfectly legitimate defence is put in, but is not proceeded with because there has been an extra-judicial agreement between the parties. Will the Solicitor-General for Scotland confirm that in such circumstances there might still be a provision for no award of expenses in the higher band?

Mr. McKelvey: I do not want to delve into legal matters at this stage. I have been guided throughout our debates not only by my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) but by the Scottish Consumer Council. They both appear to be satisfied that the amendments will cover the points raised in Committee. As the aim of the small claims procedure is to make courts accessible to ordinary people, I welcome the amendments, because we are speaking on behalf of ordinary people, who are sometimes forgotten between legal gentleman when they discuss the vagaries of the system.

I welcome the opportunity for the small claims procedure to be established in an informal fashion so that there is no question of the gowns, trappings or pompousness that occurs in usual court procedure. Ordinary people will not be afraid to go through the informal procedure in an attempt to obtain justice.

On the question of limit transfers, presumably when the sheriff takes that course it will be on a very limited matter.

The Solicitor-General for Scotland: The matter to which the hon. Member for Kilmarnock and Loudoun (Mr. McKelvey) referred arises under the next group of amendments.

The answer to the hon. Member for Orkney and Shetland (Mr. Wallace) is that there are circumstances in which no defence is lodged because an agreement or settlement has been reached. I would expect any expenses to be part of the settlement. On the assumption that there was something of a defence anyway, that would hold it within the arrangements set out in the clause. We must make sure that the matter is absolutely dead right, because we want it to operate successfully.

Amendment agreed to.

The Solicitor-General for Scotland: I beg to move amendment No. 19, in page 16, line 20, leave out from 'stage' to the end of line 21 and insert—

'—

'*(a)* may, if he is of the opinion that a difficult question of law or a question of fact of exceptional complexity is involved, of his own accord or on the motion of any party to the proceedings;

(b) shall, on the joint motion of the parties to the proceedings.'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: amendment No. 20, in page 16, line 20, after 'instance', insert

'if he is satisfied that a difficult question of law or a question of fact of exceptional complexity is involved'.

Government amendment No. 21.

The Solicitor-General for Scotland: The amendments relate to the power of the sheriff to transfer cases which start as small claims out of that procedure and into the more formal approach of summary cause or ordinary cause procedure. Hon. Members have expressed concern that there were no statutory criteria to guide parties and the sheriff when this may be done. The underlying concern was that parties should not be subjected, perhaps, to the additional expense and time which may be involved, unless there was something in the circumstances of the case which clearly demonstrated that the small claims procedure was inappropriate.

Accordingly, the amendment makes it clear that the sheriff may have a small claims case transferred to ordinary or summary cause procedure only where a difficult question of law or extremely complicated facts are involved. Equally, before a sheriff may have a case transferred on the motion of any one party to the small claims, he must be satisfied that one of the criteria applies. Where, however, all parties to the small claims proceedings are agreed that the case should be transferred, the sheriff must have the case transferred.

Amendment No. 21 to subsection 2C reflects the approach that where parties request that a summary cause or ordinary cause be transferred to and dealt with as a small claim, which otherwise on account of the monetary limit involved would be inappropriate for it, the sheriff must give effect to the parties' agreed wishes. This approach to remits in respect of small claims is wholly consistent with the approach of section 37 of the 1971 Act to other remits within and from the sheriff court.

The amendments ensure that the parties' wishes may be given effect to, if they represent the wishes of all, and ensure that small claims cases are not diverted from the small claims procedure unless for the sound reasons laid down in the clause.

I hope that that answers the query of the hon. Member for Kilmarnock and Loudoun (Mr. McKelvey).

Mr. Dalyell: I have received a letter from Peter Gibson of the Scottish Consumer Council, who says:

"An informal hearing should be available to the majority of consumers. People will not go to court if they cannot tell in advance whether they will be able to have the cheap and informal small claims hearing. Sheriffs should be able to transfer cases to

[Mr. Dalyell]

the ordinary court process if difficult questions of law or fact are involved. However, this discretion to transfer cases should be strictly limited to a small minority of cases."

Is that covered by the Government's suggestion?

The Solicitor-General for Scotland: I hope that the amendment that I have just moved precisely covers not only what Mr. Peter Gibsn said, but the amendment which the hon. Member for Garscadden tabled.

Amendment agreed to.

Amendment made: No. 21, in page 16 line 31, leave out 'may' and insert 'shall' —*[The Solicitor-General for Scotland.]*

Clause 19

DISCLOSURE OF NAMES IN CERTAIN PROCEEDINGS

The Solicitor-General for Scotland: I beg to move amendment No. 22, in page 17, line 11, leave out from beginning to 'any' and insert

'any person to disclose such information as he has as to the identity of'.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendments Nos. 23 and 24.

The Solicitor-General for Scotland: These amendments are designed to clarify the scope of the court's power to order disclosure. At present, the clause may be open to the interpretation that it contains a power only to require disclosure of names and addresses of persons who are otherwise identifiable by the pursuer—that is to say, where the person seeking to raise the action may have knowledge of an individual and all that is lacking is the name and address of that individual.

As hon. Members may appreciate, it is not our intention to have the power limited in this manner. We wish to cover the case where there is a known wrong which would be cause for a civil action—an easy example to think of would be video piracy—but where that action cannot be pursued because the names of the real wrongdoers are unknown, although it is likely that their identity is known to a third party or to a possible co-defender.

The Government do not intend that the pursuer should have to supply any further identification of the prospective witness or defender than he can do by reference to the wrong itself. The Government intend that he should be able to apply for an order requiring, for example, the retailer to provide the names and addresses of his suppliers without the pursuer having any knowledge as to the identity of the suppliers.

I commend the amendment to the House.

Amendment agreed to.

Amendments made: No. 23, in page 17, line 13 leave out 'would' and insert 'might'.

No. 24, in page 17, line 16, leave out 'would' and insert 'might'.—*[The Solicitor-General for Scotland.]*

Clause 22

RE-EMPLOYMENT OF RETIRED JUDGES

The Solicitor-General for Scotland: I beg to move amendment No. 25, in page 18, line 14, at end insert

'and, in either case, has not reached the age of 75 years.'.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendment No. 26 and amendment No. 27, in page 18, line 17, at end insert

'but any person so appointed cannot serve beyond the statutory retiring age for judges.'.

The Solicitor-General for Scotland: During the debate on this clause in Committee, I undertook to consider carefully the argument persuasively put by the hon. Member for Glasgow, Cathcart (Mr. Maxton) that a retired judge should not be brought back to act in a temporary capacity after he had reached the age of 75. Put briefly, the practical outcome of the arguments was that if the court required assistance, it should be provied by temporary judges who had not yet reached the retiring age or by the appointment of another permanent judge.

I do not want to spend time rehearsing the arguments in favour of retaining the clause, but the proposal will limit the modest assistance provided to the Lord President of the Court of Session. That factor was taken into account when we considered the proposal. We have come to the conclusion that the balance of advantage lies in its adoption. I trust that the House will agree that it is prudent to frame the provision in such a way as to allow a temporary judge to dispose of business that has been only partly heard before he reaches the age of 75. This is a practical and prudent arrangement which in no way conflicts with the principle behind the amendments.

Mr. Dewar: I welcome the concession. The amendment is sound and I am delighted to see it on the Order Paper.

Amendment agreed to.

Amendment made, No. 26, in page 18, line 17, at end insert

'but, subject to subsection (4) below, a period during which or occasion on which a person may so act shall not extend beyond or be after he reaches the age of 75 years.'. — *[Solicitor-General for Scotland.]*

Clause 25

AMENDMENT OF PROVISIONS ABOUT DETENTION OF CHILDREN

The Parliamentary Under Secretary of State for Scotland (Mr. John MacKay): I beg to move amendment No. 28, in page 20, line 1, after 'hearing)', insert '—(*a*)'.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendments Nos. 29 and 30.

Mr. MacKay: These amendments are simple and technical. Their purpose is to ensure that the accepted policy intention on the 3 days and 14 days is properly achieved. I hope that they satisfy doubts expressed in Committee by the hon. Member for Glasgow, Garscadden (Mr. Dewar).

Amendment agreed to.

Amendments made, No. 29, in page 20, line 2, at end insert

'; and

'*(b)* for the words from "for", where last occurring, to the end there shall be substituted the words "after whichever is the earlier of the following—

(a) the expiry of 14 days beginning with the day on which he was first detained;

(b) the disposal of the application by the sheriff."'.

No. 30, in page 20, leave out lines 17 and 18 and insert 'after whichever is the earlier of the following—

(i) the expiry of 3 days beginning with the day on which he was first detained;
(ii) the consideration of his case by the children's hearing.'.—*[Mr. MacKay.]*

Clause 26

AMENDMENT OF POWER TO DETAIN CHILDREN IN SECURE ACCOMMODATION

Mr. John MacKay: I beg to move amendment No. 31, in page 20, leave out from beginning of line 22 to 'the' in line 26 and insert 'for the words from "authorise" to the end there shall be substituted the words "order that, pending the determination of his case in accordance with section 42(5) or (6) of this Act,".'.

Mr. Deputy Speaker: With this we may discuss Government amendment No. 32.

Mr. MacKay: These amendments follow a long and important debate in Committee on what the law should provide when a children's hearing or a sheriff decides to issue a warrant for the interim detention of a child pending disposal of his case and considering the use of secure accommodation if that is appropriate.

The problem arose because a court case in Fife resulted in uncertainty about the powers and responsibilities of hearings which result in the issuing of such warrants. We therefore thought it right to move quickly to produce an amendment which clarifies the legislation.

The original clause caused controversy. I took careful note of what was said in Committee, of the various representations made to me and of what was said by those who attended a conference sponsored by the National Children's Bureau in Glasgow on 8 March. I concluded that warrants should deal with secure accommodation in the same way as supervision requirements—that is, a warrant for interim detention may simply give authority to the person in charge of the residential establishment named in the warrant, with the agreement of the relevant director of social work, to make use of secure accommodation during the period of the warrant at such times as this is considered to be necessary in the child's interest. The amendments are designed to do that and I commend them to the House.

Mr. Dewar: This is important to those involved with children's panels. In recent months my informed mail on the subject has ben heavy. I thank the Minister for the amendments. He buttressed his view fairly with the opinions of panel members and professionals. Subsequently he discovered that the unanimity which he thought existed among panel members did not exist. The argument's balance has changed.

For example, Mrs. Sherry, the chairman of the Strathclyde children's panel, takes a different view about where the balance of advantage lies. The difference is small and the change is almost certainly for the better. Even those who were on the other side of the argument accept that we must have some flexibility and that the law should not make it mandatory on those in whose care a child is placed to keep that child throughout the period of the warrant in secure accommodation with all the limitations implied.

It is wise for the law to authorise that the child can be kept in secure accommodation, but it should not demand that he is. It will please the reporters, the psychologists, the social workers and many others, and I believe that it will have much wider support among members of children's panels than we first thought. It is an example of a good piece of work in Committee and a sensible reaction by the Government. I do not often say that to the Under-Secretary, so he had better enjoy it while the going is good.

Amendment agreed to.

Amendment made: No. 32, in page 20, leave out from beginning of line 36 to 'order' in line 40 and insert 'for the words from "authorise" to the end there shall be substituted the words "'.—*[Mr. John MacKay.]*

Clause 30

INTEREST ON AWARDS OF COMPENSATION BY SCOTTISH LAND COURT

10.45 pm

Mr. John MacKay: I beg to move amendment No. 33, in page 22, line 10, leave out 'of the award' and insert 'when such sum is payable'.

Mr. Deputy Speaker: With this we may take Government amendment No. 34.

Mr. MacKay: The amendment ensure that the clause accords with the normal practice of the Land Court and that the intention of the clause is carried out.

Amendment agreed to.

Amendment made: No. 34, in page 22, line 28, leave out 'of the award' and insert 'when such sum is payable'.—*[Mr. John MacKay.]*

Clause 32

RULES AS TO VALUATION OF SHEEP STOCKS

Mr. John MacKay: I beg to move amendment No. 35, in page 23, line 3, leave out 'subsection' and insert 'subsections'.

Mr. Deputy Speaker: With this we may take Government amendment No. 36.

Mr. MacKay: The amendments will ensure the continuation of the existing system whereby the formula for determining the sheep stock valuations at the end of a lease depends on the date when the lease was entered into. That means that both parties to the lease know what valuation system will apply at the end of it. The amendments are, therefore, supported by both sides of the agriculture industry.

Amendment agreed to.

Amendment made: No. 36, in page 23, line 7, at end insert—

'(1B) A variation made under subsection (1A) above shall not apply for the purposes of a valuation made in respect of a lease entered into before the valuation was made.'.—*[Mr. John MacKay.]*

Clause 36

EVIDENCE IN TRIALS OF CERTAIN SEXUAL OFFENCES

The Solicitor-General for Scotland: I beg to move amendment No. 37, in page 27, line 15, at end insert 'in relation to sexual matters.'.

Mr. Deputy Speaker: With this we may take the following amendments:

[Mr. Deputy Speaker]

No. 38, in page 27, line 15, at end insert
'with regard to sexual character and habits.
Governments amendments Nos. 39 and 41.
No. 42, in page 29, line 12, at end insert
'with regard to sexual character and habits'.
Government amendment No. 43.

The Solicitor-General for Scotland: During our debate in Committee on clause 33, as it then was, we had an interesting and helpful discussion on the question of evidence about the character of the complainer. This is a complex area of the law.

In its report on evidence in cases of rape and other sexual offences, the Scottish Law Commission proposed that there should be a ban on questioning and evidence which showed that the complainer in a sexual offence case was not of good character. The commission concluded in its report that the character concerned should be the sexual character of the complainer. That conclusion was arrived at on the basis that it can never be relevant to a charge of rape—any more than it is to a non-sexual offence—to assess a complainer's general credibility by reference to outdated standards of moral propriety. The Government accepted that conclusion, but were concerned that the draft Bill annexed to the commission's report went too wide in its reference to "character" alone. That could result in a sexual-offence complainer being treated more advantageously than his or her counterpart in a non-sexual offence case.

Further consultation on the commission's proposals carried out on behalf of my noble and learned Friend, the Lord Advocate revealed that the majority of opinion favoured some form of limitation on the prohibition on questioning and character.

The existing subsection (2), which the amendments propose to delete, reflects the underlying principle that the complainer in a sexual offence case should be treated neither more or less advantageously than the complainer in a non-sexual offence case. Subsection (2) sought to do that by displaying the prohibition on character questioning on cases where the questioning related to the truthfulness of the complainer. While convinced that the principle behind it was correct, the Government were aware that the exact terms of the subsection did not represent the best solution. Our helpful discussion in Committee confirmed that to be the case and I undertook to consider for Report alternative ways of dealing with the problem.

Subsection (2) does not implement the Government's policy effectively and arguably has the effect of undermining the main purpose of the clause, which is to provide a measure of protection for the complainer from unnecessary intimate and embarrassing questioning. However, a straightforward deletion of subsection (2) would not be sufficient. That would still leave us with the original problem of the reference to "character" in subsection (1)*(a)* being too wide and covering all aspects of character. For that reason I have tabled these amendments, which provide for the deletion of subsection (2) and also for the qualification of the reference to "character" so that it relates to sexual matters. I think that such an approach will find favour with the hon. Member for Glasgow, Garscadden (Mr. Dewar) especially, who tabled an amendment on similar lines in Committee.

The advantage of such an approach is that it limits the Bill's provisions to a particular type of character evidence and leaves the other aspects of general character to be dealt with in accordance with the present law. This approach seems particularly appropriate in view of the forthcoming consideration by the Appeal Court to this particular area of the law in the O'Hara case.

It is certainly true, on the other hand, that amendment of the Bill in this way leaves unspecified the boundary between what is and what is not sexual character. I hope the House will accept that it would be undesirable to seek to define further that boundary and that questions of this sort are best left to the court to deal with in the light of the individual facts and circumstances.

The amendment of the Bill in this way removes the difficulty with subsection (2), and, by changing the focus of the main provision, is a neater and more effective method of dealing with this sensitive area so that the complainer secures the level of protection proposed by the commission, and at the same time the accused is allowed the opportunity of a fair trial.

Mr. Dewar: This is an important group of amendments, and the Minister's remarks meet with my approval. I confess that some of the more rewarding Committee experiences are in the less controversial areas of law reform, where it is not like bison locking horns with no chance of movement on either side.

I came away from the debates on the clause dealing with evidence in rape trials with not much hope of movement on the part of the Government. I knew that the Minister had looked seriously at the points already and I thought that we would not get much more from him. I have been pleasantly surprised, however, and this series of amendments is helpful.

Subsection (2), which falls, caused widespread alarm, particularly among some parts of the women's movement, as it was seen as a loophole which might have undermined the whole point of the new provision. The subsection did not appear in the Law Commission's draft Bill. The difficulty was that, without the subsection, the drafting of what will become Section 141A(1)*(a)* meant that the normal right to attack — allowing for the possible retaliation — the general character of the complainer would have fallen. It was necessary, therefore, to limit the phrase

"is not of good character"

in some way that made it clear that it referred to the complainer's sexual habits. I suggested "sexual character and habits" whereas the Minister referred to "sexual matters," but I shall not argue the toss on that semantic point.

This series of important amendments significantly improves and strengthens the clause. The Minister deserves congratulations for showing flexibility, and there will be a welcome for these proposals in the areas in which this matter has been discussed and studied.

Amendment agreed to.

Amendments made: No. 39, in page 27, line 21, leave out subsection (2).

No. 41, in page 29, line 12, at end insert
'in relation to sexual matters.'.

No. 43, in page 29, line 18, leave out subsection (2). *—[Mr. John MacKay.]*

Clause 49

ARRESTMENT OF NATIONAL SAVINGS BANK DEPOSITS

Mr. John MacKay: I beg to move amedment No. 47, in page 37, line 3, leave out paragraph *(a)*.

Mr. Deputy Speaker: It will be convenient to discuss at the same time Government amendments Nos. 48 and 49.

Mr. MacKay: In Committee, I undertook to consider whether it was necessary under present circumstances to give the Lord Advocate an order-making power to direct that the arrestment provision to be introduced by clause 49 should not apply. I now take the view that such a power is not necessary, and this series of amendments removes the order-making power and makes consequential drafting changes.

Amendment agreed to.

Amendments made: No. 48, in page 37, line 5, leave out paragraph *(b)*.

No. 49, in page 37, line 14, leave out paragraph *(e)*. —*[Mr. John MacKay.]*

Clause 51

AMENDMENTS TO MENTAL HEALTH (SCOTLAND) ACT 1984 AS RESPECTS HOSPITAL ORDERS

Amendment made: No. 50, in page 38, line 35 leave out from 'In' to end of line 36 and insert

'each of sections 21 (approval of applications by the sheriff: hospital) and 40 (approval of applications by the sheriff: guardianship)'.—*[Mr. John MacKay]*

Clause 55

FINANCE

Amendment made: No. 51, in page 40, line 4 after 'Act', insert

'or section 5(9) of the Private Legislation Procedure (Scotland) Act 1936',—*[Mr. John MacKay.]*

Clause 57

CITATION COMMENCEMENT AND EXTENT

Amendment made: No. 52, in page 40, line 17, after '29', insert '54'.—*[Mr. John Mackay.]*

New Schedule

'AMENDMENTS OF LEGAL AID AND SOLICITORS (SCOTLAND) ACT 1949 AND SOLICITORS (SCOTLAND) ACT 1980

Legal Aid and Solicitors (Scotland) Act 1949 (c. 63)

1. Section 25 (provisions as to taking apprentices) is hereby repealed.

Solicitors (Scotland) Act 1980 (c. 46)

2. In section 6 (admission as solicitor)—

(a) in subsection (1)*(b)* the words "by affadavit or otherwise" are hereby repealed.

(b) after subsection (3) there shall be inserted the following subsections—

"(3A) The Council may petition the Court for the admission as a solicitor of an applicant who has complied with the requirements of subsection (1) above; and where it does so it shall lodge the petition not later than one month after the applicant has first so complied.

(3B) The court shall, on a petition being made to it under subsection (3A) above make an order admitting the applicant as a solicitor.".

3. Section 15(2)*(a)* (Council to have discretion as to issue of practising certificates where applicant still has to serve post-qualifying year of practical training) is hereby repealed.

4. in section 35(1) (power to make accounts rules)—

(a) the word "and" immediately preceding paragraph *(d)* shall be omitted;

(b) after that paragraph there shall be added the following —

"; and

(e) as to the recovery from solicitors of fees and other costs incurred by the Council in ascertaining whether or not a solicitor who has failed to comply with the accounts rules has remedied that failure and is complying with the rules"

5. Section 48 (restriction on number of apprentices) is hereby repealed.

6. After section 62 there shall be inserted the following section—

"Councils power to recover expenses incurred under section 38, 45 or 46.

62A.—(1) Without prejudice to the Society's entitlement under section 46(4) to recover expenses, the Council shall be entitled to recover from a solicitor in respect of whom it has taken action under section 38 ,45 or 46, any expenditure reasonably incurred by it in so doing.

(2) Expenditure incurred in taking action under section 38 is recoverable under subsection (1) above only where notice has been served under paragraph 5(2) of Schedule 3 in connection with that action and—

(a) no application has been made in consequence under paragraph 5(4) of that Schedule; or

(b) the Court, on such an application, has made a direction under paragraph 5(5) of that Schedule.".

7. In Schedule 1 (constitution etc. of the Law Society of Scotland)—

(a) for paragraph 6 (subscriptions) there shall be substituted the following paragraphs—

"6. Subject to paragraph 7, every member of the Society shall, for each year, pay to the Society such subscription as may be fixed from time to time by the Society in general meeting.

6A. The subscription payable under paragraph 6 by a practising member (or the proportion of it so payable, calculated by reference to the number of months remaining in the practice year) shall be paid at the time of submission of his application for a practising certificate.";

(b) in paragraph 7 (subscription in first three years of enrolment)—

(i) the word "annual", in both places where it occurs, is hereby repealed;

(ii) after the word "year" there shall be inserted the words "or part therof"; and

(iii) there shall be added at the end the words "(reduced, in the case of a solicitor first included in the roll for only part of a year, in that year proportionately)"; and

(c) after the said paragraph 7 there shall be inserted the following paragraphs—

"7A. The Society shall have power, subject to paragraphs 7B to 7D, to impose in respect of any year a special subscription on all members of the Society of such amount and payable at such time and for such specific purpose as it may determine.

7B. The Society may determine that an imposition under paragraph 7A shall not be payable by any category of member or shall be abated as respects any category of member.

7C. An imposition under paragraph 7A or a determination under that paragraph or paragraph 7B may be made only at a general meeting.

7D. No imposition may be made under paragraph 7A above unless a majority of those members entitled to attend and vote at the general meeting at which it is proposed has, whether by proxy or otherwise, voted in favour of its being made.".

8. In Schedule 3 (the Scottish Solicitors Guarantee Fund)—

(a) in paragraph 1(1) (annual contributions to Guarantee Fund) the words "not exceeding the sum of £25" are hereby repealed.

[Mr. MacKay]

(b) in paragraph 1(3) (Council to fix amount of contributions for each year by previous 31 July) for the words "31 July" there shall be substituted the words "30 September"; and

(c) paragraph 1(7) (limit to special contributions to Guarantee fund) is hereby repealed.'.—*[Mr. John MacKay.]*

Brought up, read the First and Second time and added to the Bill.

Schedule 1

AMENDMENT OF ENACTMENTS

The Solicitor-General for Scotland: I beg to move amendment No. 54, in page 43, line 43, at end insert—

'The Criminal Justice (Scotland) Act 1980 (c. 62)

20A. In section 3(5) (which defines the terms "parent" and "child") after the word "guardian" there shall be inserted the words "and any person who has the actual custody of a child".'.

This ensures that the provisions in new section 3B of the Criminal Justice (Scotland) Act 1980—which is concerned with children detained in connection with terrorism and which is inserted by clause 35—cover the case where the detained child is living with someone who is not his parent or guardian.

As these provisions must be consistent with those relating to children detained under the 1980 Act for other offences, the change is achieved by amending the general definition of "parent" in section 3(5) of the 1980 Act to include both guardians and persons who have actual custody.

Mr. Dalyell: This matter repeatedly arises in one form or another in our surgeries, particularly in new towns. How will the amendment help the problem of single parents?

The Solicitor-General for Scotland: With respect, I do not see that there is so much a problem with single parents. We are concerned with the cases in which it may be more difficult to identify not just one or other parent, but any parents at all. It is for that reason that we want to say that there should be not just the word "parent" or "guardian" but the phrase

"and any person who has the actual custody of a child".

A child may be living habitually with someone other than his parents or guardian. We want to ensure that there is an opportunity of intimation to that person. In view of discussions that we had in Committee, I should have thought that that change would be considered desirable by everyone.

Mr. Dalyell: Does that help the problem of parents having access and seeing grandparents? It is difficult to do it in telescope form, but can the hon. and learned Gentleman address the matter?

The Solicitor-General for Scotland: We are dealing with a special situation which, I hope, will seldom happen, if ever, in Scotland, where children are arrested for terrorism offences. It applies only in those exceptional circumstances. Clearly, some provision has to be made for giving intimation to the parents. The particular problem which was underlined in Committee, and which I promised to look at again, was where the child did not have a readily identifiable parent, and was living with someone else. In those circumstances, the arrangement for intimation to that person is now provided for.

Amendment agreed to.

Schedule 2

REPEALS

Amendments made: No. 55, in page 46, line 16, at end insert—

'1949 c. 63	The Legal Aid and Solicitors Act 1949.	Section 25.

No. 56, in page 46, line 40, at end insert—

'1980 c. 46	The Solicitors (Scotland) Act 1980	In section 6(1)*(b)*, the words "by affidavit or otherwise". Section 15(2)*(a)*. In section 35(1), the word "and" immediately preceding paragraph *(d)*. In Schedule 1, in paragraph 7 the word "annual" in both places where it occurs. In Schedule 3, in paragraph 1(1), the words "not exceeding the sum of £25" and paragraph 1(7).'. — *[Mr. John MacKay.]*

Order for Third Reading read.—[Queen's Consent, on behalf of the Crown, signified.]

Motion made, and Question proposed, That the Bill be now read the Third time.—*[The Solicitor-General for Scotland.]*

10.56 pm

Mr. Wallace: The hon. Member for Glasgow, Garscadden (Mr. Dewar) had his opportunity to say how grateful he was to Ministers for the flexibility that they have shown on several issues. I should like to add my own words of thanks. We did not get all that we wanted on several matters, but in Committee Ministers showed a willingness to listen. In some of today's amendments, they have shown that they have taken on board many of the comments that were made. The Under-Secretary of State referred to a tidying-up, technical amendment to clause 51. I persuaded the Solicitor-General eventually to concede that amendment. I am grateful for the tidying-up that was done to it.

I would not wish my speech to be all bouquets, and should like to make just one final comment. My hon. Friend the Member of Southwark and Bermondsey (Mr. Hughes), being an English barrister, was somewhat amazed to hear that, almost in the same breath, we were dealing with valuation of sheep for leasing purposes and then important matters relating to evidence in rape trials. It is unbelievable that that would ever happen with the law in England and Wales. The sooner that such matters can have proper and separate debates in a Scottish Parliament, the better.

10.57 pm

Mr. Dalyell: As one who was not on the Committee, I should like to express a certain gratitude to colleagues of all parties who worked hard on what every Scottish Member of Parliament knows are important subjects.

I thank the Minister for giving undertakings to some of us about Glenochil in the hope that at least it will ease people's minds in that difficult area.

10.58 pm

The Solicitor-General for Scotland: As the Bill has addressed such a wide range of issues, as the hon. Member for Orkney and Shetland (Mr. Wallace) has said, it is difficult to highlight its most significant provisions. On Second Reading the hon. Member for Glasgow, Garscadden (Mr. Dewar) described the Bill as a collection of legal bric-a-brac. However, I am sure that he will agree that, none the less, it contains many useful provisions. They may not have been controversial in any party political sense, but such matters as evidence in rape cases and the introduction of new small claims proceedings have been important changes in the law of Scotland.

I thank the hon. Member for Orkney and Shetland for his comments in this debate and the hon. Member for Garscadden for what he said earlier. Debates on the Bill were certainly not conducted on party political lines, which meant that in many respects, both in Committee and on Report, we were able to give more assiduous scrutiny to the provisions than is sometimes the case.

Although the Bill is something of a miscellany, I hope that what we have achieved in it will be welcome to the people of Scotland even though it was quite properly completed in this House and not in another building, somewhere in Scotland.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

ENDURING POWERS OF ATTORNEY BILL *[LORDS]*

Order for Second Reading read.

Motion made, and Question put forthwith, pursuant to Standing Order No. 69(6) (Second Reading Committees), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time and committed to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills).

PETITION

Human Embryos

11 pm

Mr. Simon Hughes (Southwark and Bermondsey): I seek leave to present two petitions, the second and third that I have sought to present on a matter that has become the subject of record petitioning to the House — the protection of the human embryo. They were not presented before the Second Reading of the private Member's Bill on the subject because they were technically deficient at that stage. After they had been corrected I held them back until today — the eve of the return of that private Member's Bill from the Standing Committee for its Report stage on the Floor of the House.

The first petition is in the name of Father Kevin Maxwell, who until recently was priest at Holy Trinity church, Dockhead, in Bermondsey and 151 other local people, many of whom are parishioners of Holy Trinity, Dockhead, and all but seven of whom live in the SE1 or SE16 postal districts of Southwark and Bermondsey.

The second petition is in the names of Mrs. Still of 3 Bromleigh house, Abbey street, SE1, the Reverend Tim Wooderson, vicar of Bermondsey parish church, Dr. Dominic Beer of 25n Becket house, Becket street, SE1 and 82 other people.

The petitions are in similar terms. They affirm that the newly fertilised human embryo is a real, living and individual human being and pray

"that the House of Commons will take immediate steps to enact legislation which forbids any procedure which involves purchase or sale of human embryos, the discarding of human embryos, their use as sources of transplant tissue or as subjects for research or experiment (unless this is done solely for the benefit of the embryo concerned)."

We shall be debating this controversial and difficult matter tomorrow, when these views and others will be properly taken into account by the House.

To lie upon the Table.

Courtaulds (Cardiff)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lang.]*

11.2 pm

Mr. Keith Raffan (Delyn): The announcement by Courtaulds on 19 April that it proposed to close the Greenfield plant was a devastating blow to my constituency. It marked a further stage in the 15-year-long erosion of the area's manufacturing base, which has produced what can be described without exaggeration as a blitzed local economy. The lastest proposal will add a further 595 redundancies to the 200 announced by Courtaulds last autumn, and the knock-on effect on local businesses and subcontractors will add at least a further 100.

When I met Sir Christopher Hogg, chairman of Courtaulds, earlier this week he informed me that the future of the Deeside mill — the one remaining Courtaulds plant in my constituency, which employs 164 people—was "hanging by a thread." In effect, therefore, we are talking not about a possible 600 redundancies in my constituency but about 1,000, and probably considerably more.

[Mr. Keith Raffan]

The most hard hit town is Holywell. If these redundancies take place, they will add 30 per cent. to existing unemployment in a town in which the ratio of unemployed people to vacancies is already 40 to one.

Since 1973, 5,084 Courtaulds jobs have been lost in my constituency. in addition, 2,200 of my constituents lost their jobs in British Steel at Shotton in 1980. The total number of jobs lost in the past 12 years is 7,300—a quarter of the jobs in my constituency, out of a total labour force of 28,500.

The severity of the problems that Delyn faces can be highlighted by comparison with Wrexham, which also faces the closure of its Courtaulds plant. Wrexham is much better able to absorb the blow. It is a bigger borough, has greater resources, a more longstanding experience in attracting industry and a more favourable geographical location. Last year, 1,500 new jobs were created in Wrexham with the arrival of Sharp, Brother, Laura Ashley and Metal Box.

I think that I have said enough to illustrate the size and dimension of the problems facing my constituency. These problems have been recognised already by the Government with the designation of the Delyn enterprise zone and with Delyn's retention of the highest level of development area status. The feeling before Courtaulds' announcement was that the enterprise zone was about to take off—that substantial financial support that had been received from the Government was about to contribute to a significant improvement in employment opportunities. Just as we were about to take two steps forward, we have suddenly been thrust four steps back. Now, more needs to be done urgently.

I should declare an interest as a shareholder in Courtaulds since last week. I own one share which I bought for £1·87. That is the only share that I own in a British company. I bought that share because I was fed up with meeting senior management at Courtaulds who always said to me, "We have to look after the interests of our shareholders." I thought that when I met the chairman earlier this week, this would enable me to say to him, "I totally agree with you, Sir Christopher. You have to look after the interests of your shareholders. I am one of them."

The first thing that I ask the Government to do, through the Under-Secretary of State, is to put pressure on Courtaulds. If it will not reverse the proposed closure and phase in the redundancies, it must at least recognise its social responsibilities to Delyn. Courtaulds must discharge its moral obligations to the community. For more than 50 years, the company has dominated the local labour supply, and so had a distorting effect on the local economy. This maginifies the impact of the latest redundancies.

The local labour force, for relatively low rates of pay, has given great service to the company. Indeed, the deputy chairman of Courtaulds, Dr. Wooding, described the work force to me last week as first-class, hard-working, highly motivated and extremely flexible. Dr. Wooding went further, and said that he was prepared personally to recommend the work force to any company thinking of coming into the area.

Courtaulds cannot just up and walk away from a work force and a community that have served it so well. The failure at Greenfield has been the failure not of the work force but of senior, London-based management. The work force at Greenfield has exceeded its production targets. It has increased its share of the western European market for viscose fibre. Yet the London-based senior management have chosen to close Greenfield in preference to Grimsby, although it is Grimsby which has supplied predominantly the market that has been lost—the so-called deep sea or far east market.

As the Prime Minister said in Clwyd last Friday,

"Where you have a factory dependent on one product, then I think management does have a duty to develop different products. Products do change. We do need new ones. It ought to be part of the work of successful management."

Indeed, it should be. Any one can asset strip. Management, if it is to be described as successful, has to do more, much more, than that.

As my right hon. Friend the Secretary of State for Wales said on 8 March

"there is a distressing tendency appearing among some companies to believe that a great industrial group should with the help of substantial Government contracts"——

and I might add, Government grants—

"prove itself a successful financial institution rather than risk its resources in innovative research and development or the agressive marketing of new products."

Courtaulds' management has conceded — indeed, Sir Christopher did so personally to me—that it saw long ago what was coming. The company should and could have diversified. If the Japanese had been in charge at Greenfield, they would have done so.

The Greenfield site is ideal for diversification. It has a superb work force and an endless supply of cheap water, and it generates its own steam and electricity. The No. 1 site, which is currently derelict, could be cleared in six months, and so could be let to another company which could share with Courtaulds the overheads on the site.

There has been no such imaginative approach by Courtaulds. Like GEC, the company has been content to shed labour while increasing its cash mountain. Indeed, Courtaulds made £128 million profit last year. Despite that massive profit, it is now ready to shed 800 employees at Greenfield, with a loss to the Treasury and a cost to the taxpayer of £7,000 per employee a year.

It would be wrong and immoral if the taxpayer were expected to pick up the tab for these redundancies while the shareholder got off scot free probably with an increased dividend. That would indeed be the totally unacceptable face of capitalism.

Courtaulds senior management must accept the diminution of their profits and the shareholders must be prepared to give up an extra dividend so that the company can discharge its obligations to the people of Delyn. My constituency has yet to see any evidence that Courtaulds recognises its responsibility and accepts its obligations. We have yet to have evidence of its good faith.

Dr. Wooding, the deputy chairman, is to visit Delyn shortly for detailed discussions with the chief executive and myself. We look for and expect during those meetings a change in attitude from the company. We have many points to raise with the deputy chairman. The first relates to the future of the No. 1 site, the transfer of which I helped to instigate earlier this year. Negotiations are currently running into some difficulty. It is important that if vital infrastructure is not to be transferred to the borough council its continued use must be guaranteed.

The chief executive and I want general discussions about the No. 2 site. If the redundancies are to go ahead, we should like first option on that site and Dr. Wooding has indicated to us that the company will give the borough

council first option. The third point is that the site must be left clean. Greenfield has been a chemical site for 50 years. There is extensive and serious contamination of both land and buildings. They must be cleared of asbestos and toxic waste. There is a 10-acre licensed tip bordering the site and the Dee estuary. To maintain it let alone to clear it, will cost a great deal. It is a potential hazard. If it is not properly maintained, there is a danger of toxic waste seeping into the Dee estuary.

Courtaulds must pay for the maintenance or clearance of that tip. The shareholder not the taxpayer must bear that burden. The company cannot walk away and abdicate responsibility as it did at Castle works in 1977. It left a burning toxic tip there which Dr. Wooding described last week as "frightening." A NATO-sponsored study tour of environmental scientists examining serious contamination problems visited the tip last year. When a Dutch member of the group was told that it was a Courtaulds tip he asked whether Courtaulds was a common Welsh name. When he was told that it was not, the penny suddenly dropped and he said, "You do not mean *The* Courtaulds, the distinguished British company?" He could not believe that the company had been able to walk away from such a serious contamination problem. He said that no company in the Netherlands would have been allowed to do so.

The borough council is having to undertake a £50,000 survey simply to find out how to deal with the tip. The borough surveyor estimates that it will cost over £1 million to clear it That cannot be allowed to happen again. Courtaulds must leave a clean site at Greenfield.

If the closure goes ahead, Courtaulds has said that it intends to sell plant from the site. In 1979-81 it undertook a £9 million modernisation for which it received I believe —I should be grateful if my hon. Friend will confirm this—£3 million in regional development grant. That was to create the most technologically advanced viscose fibre plant in the world.

Again, it would be unfair and immoral if that plant, partly paid for by the taxpayer, were sold to benefit the shareholders. A proportion of the proceeds must go to the Government for the benefit of the community and to bring jobs to my constituency.

As I said earlier, Courtaulds has dominated the local labour market for 50 years. We look to the company to help bring new companies and jobs to the area. I emphasise that we want it to do that through the Delyn enterprise agency and not through the Deeside enterprise trust which concentrates on the Deeside-Shotton area. We should like to see the company emulate the good example of Pilkingtons in St. Helens by seconding a high flier with two full-time assistants from the company to help run the agency. We look to the company for a substantial financial contribution towards the agency's running costs. One month's losses of £500,000 would be a good figure from which to work upwards.

I look to my hon. Friend the Minister for an assurance that the Government will exert maximum pressure on Courtaulds to ensure that it discharges its obligations and to emphasise to it that it cannot and will not be allowed to escape from them. The proposed closure is the result not of a failure of the work force but of the senior managenemt, and it must be paid for by shareholders not taxpayers.

On direct Government help, two reports have been produced—"A Development Strategy for Courtaulds, Greenfield Plant" by Delyn borough council and "Action Response to Major Textile Job Losses" by Clwyd county council. I pay tribute to Delyn borough council on their excellent document, which it has produced so speedily. It gives a good background to the situation and proposes specific measures which focus on Delyn's needs. By contrast, the county council document is sadly disappointing. It focuses almost exclusively on Wrexham and Deeside industrial park. Indeed, there are only two passing references to Delyn in a 19 page report, and the first of them is inaccurate. The introduction says that the report:

"has been prepared in consultation with Delyn borough council".

No such consultation took place. The chief executive of Delyn has yet to receive a copy of the document. When I met the chief executive of Clwyd county council last week, he assured me that the council would give every possible backup to the borough council. I hope that the liaison will improve markedly in the next few weeks. The county's report is totally inadequate. It is no answer to Delyn's needs and shows no recognition of the intense local impact of the unemployment problem that has been created, or of the particular needs of Holywell and Flint.

Delyn looks to Clwyd county council not for a second Dee crossing costing £25 million, which the county is pushing, but for something more modest and more practical—a coherent integrated road strategy for the area, to create a link between the A55 and the A548 coast road and an acceleration of improvements to the A548. The borough council has pressed for some time for such an integrated road network to be drawn up. Unfortunately, the county has yet to respond.

Delyn council's strategy is more hard-headed and economically realistic than the county's. It focuses directly on Delyn. Its proposals for No.1 site alone:

"would directly create development potential for up to 604 jobs at a minute fraction of the cost of more general initiatives such as the dualling of the A55".

It outlines where substantial public investment, where Government finance is needed—for demolition and site clearance, for the renewal and upgrading of existing service infrastructure, for the refurbishment of retained buildings and for the accelerated improvement of road communications, including improved access to No. 2 site from the A548, should the council take it over.

Substantial public investment is necessary to prime the pump, to ensure private investment for the redevelopment of the site. One other important measure is necessary to ensure private investment—extension of the enterprise zone to include the Courtaulds Greenfield site. The financial advantages of an enterprise zone, especially the 100 per cent. capital allowance for new buildings, is essential to attract substantial private investment.

I ask my hon. Friend the Minister for an assurance that the Government's response to this serious situation will be based on Delyn's development strategy, not on the county's wholly inadequate one.

I have said enough to illustrate the seriousness of the situation. I look forward to my hon. Friend's reply. I hope that he will be able to show the Government's readiness to exert maximum pressure on Courtaulds to discharge its obligations and responsibilities to my constituency. I also hope that he will be able to show the willingness of the Welsh Office to respond favourably to applications from the borough council for direct financial help to my

[Mr. Keith Raffan]

constituency so that, together, we can give hope to the people I represent, especially those who, in Courtaulds words, are:

"a workforce second to none."

11.18 pm

The Parliamentary Under-Secretary of State for Wales (Mr. Wyn Roberts): It is characteristic of the concern of my hon. Friend the Member for Delyn (Mr. Raffan) for his constituents that he has secured this evening's debate on the important subject of the proposed closure of the Courtaulds plant at Greenfield, Clwyd, announced by the company on Friday 19 April. Of course, this announcement, coupled with the proposed closure of another Courtaulds plant at Wrexham, is a nasty blow to north-east Wales, to the work forces and their families.

Clwyd has a well-deserved reputation for resilience, but the loss of more than 1,000 jobs now is an unwelcome setback to the county's economic recovery. The community's dismay is not lessened by the fact that these closure announcements were made by an employer that has had a long association with the area.

Much that is good and hopeful has happened since that bleak Friday. On Monday 22 April my right hon. Friend the Secretary of State received a deputation from Delyn borough council led by my hon. Friend; and he has also met the hon. Member for Wrexham (Dr. Marek). On Friday last my right hon. Friend the Prime Minister met representatives of Clwyd county council, Delyn borough council and Wrexham Maelor borough council at the start of her visit to north-east Wales, and I had the honour of being with her on that occasion. Later in the day she met representatives of the Wrexham plant work force. She has also met my hon. Friend; and she will be meeting the hon. Member for Wrexham shortly. In the meantime, she has been active in other ways in this context. A senior Welsh Office official was also in north Wales last week, together with a representative from the Welsh Development Agency, to pursue discussions with the local authorities. I recount all this to show that the Government are totally aware of the situation and fully understand the different viewpoints of the bodies concerned and the different representations that are being made by different authorities. It would not be right for me to discuss the merits of the cases put forward tonight; suffice it to say that the cases advanced are receiving active consideration.

However, I am very pleased to be able to tell the House that, in response to a request from Delyn borough council, my right hon. Friend the Secretary of State has today approved an adjustment within the council's existing total capital expenditure allocation under which a larger amount —some £500,000—will receive urban aid support. The implication of this adjustment will be to ensure that Delyn can proceed this year with an industrial unit construction programme costing £3·7 million, which will create over 800 job opportunities within the enterprise zone.

I think that it is important to see these closures in their historical context and to make it absolutely clear that they are in no way consequential upon the Government's policies. Courtaulds has run down its operations in north-east Wales—and elsewhere—over many years. As my right hon. Friend reminded the House on 22 April, at column 610 of *Hansard* for that date, the Castle works at Flint was closed in 1977 with the loss of 1,500 jobs. There have also been substantial reductions in employment at Greenfield and at Wrexham before the present closure decisions. There has also been a very substantial reduction in employment at the Deeside mill.

Of course we are very disappointed that these closures are likely to occur, not only because of the job losses that will result but because there was also a substantial investment of taxpayers' money in these plants. Regional development grant of £2·1 million and selective assistance of £0·7 million have been paid to Courtaulds for its modernisation programme at Greenfield and close to £2 million has been paid in grant at Wrexham. But I have to say to the House that it is not for the Government to try to second guess the commercial judgments that had to be made. Courtaulds—like any other company—has to consider the commercial realities of the market place in which it has to survive, and to make its decisions accordingly.

I know that Delyn borough council and my hon. Friend are making representations to Courtaulds both about the closures and the consequences—including the part that Courtaulds might play—and so are Wrexham borough council and the hon. Member for Wrexham. I very well understand my hon. Friend's concern about the future of the Greenfield site; and I know too of the discussions that have been taking place between the council and Courtaulds over the No. 1 site at Greenfield; discussions which were of course under way before the most recent closure decisions were announced. I am aware that some difficulties have arisen over the transaction on the No. 1 site, but I understand that Dr. Wooding, the deputy chairman of Courtaulds, intends to visit the area in the near future with a view to seeking a resolution of these problems.

I can assure my hon. Friend that we at the Welsh Office will be watching very carefully to see how Courtaulds responds to the representations that are being made to it. My right hon. Friend the Prime Minister has written to the chairman about the representations that were made to her in north-east Wales last Friday. My right hon. Friend the Secretary of State has already indicated to the chairman that he hopes that Courtaulds will respond positively to the proposals on future use and clearance of the land and to the suggestion that resources be put into the regeneration of the local communities, possibly, as my hon. Friend suggested, through the Delyn enterprise agency. I, too, would urge Courtaulds to do all that it can to assist and accommodate the requests that are being made, bearing in mind its long association with north-east Wales and the loyalty that has been shown to the company over a long period.

Against that background, it is right to look at north-east Wales to see what is being done. My hon. Friend is well aware that Shotton, Flint, Rhyl and Wrexham now have, and have had, the highest assisted area status and thus the highest possible level of regional industrial assistance. The Government's role has been that of a constant and continuing provider of financial incentives to development.

In recent years Clwyd has attained a high reputation for attracting inward investors and diversifying its economic base. It is notable that the last two major investment decisions by Japanese companies were to locate in Clwyd. The Sharp video recorder project and the Brother typewriter project are both at Wrexham. In addition, decisions to invest in Clwyd have been made by Metal

Box, Squibb Surgicare, F. W. Bender, Deeside Aluminium, British Tissues, Kelloggs, Continental Can, Optical Fibres, United Paper Mills, Kimberley Clark, Warwick Chemicals, Hoya and Laura Ashley.

All these developments, coupled with yesterday's announcement by Data Magnetic that it is to start Europe's first plant manufacturing thin-film computer disks on Deeside, point to an area that can look forward to the future with the confidence tht it will continue to attract companies in a wide range of new industries.

Since January 1983, there have been 32 acceptances of regional selective assistance in the Shotton, Flint and Rhyl travel-to-work areas, related to an investment of over £9 million, with 1,600 new jobs and 400 jobs safeguarded. In the same period, in the Wrexham travel-to-work area, there have been 33 acceptances of regional selective assistance, with just under 1,400 new jobs, 1,200 jobs safeguarded and an investment of £7 million. In total, this amounts to an investment by private companies in the two areas over the last two years of some £16 million, promising over 3,000 new jobs. This is no mean achievement.

The Welsh Development Agency has been particularly active in providing the infrastructure to enable industrial development to proceed in Clwyd, and its achievements are worth putting on record. Since 1979, the agency has completed 203 units totalling 1·3 million sq ft in the county. In 1983, 58 units were allocated. In 1984, a further 50 units were allocated. These allocations promised over 1,800 new jobs. Some 59 units are still available for letting.

When we look at this countywide activity on a travel-to-work area basis we find that in the Shotton, Flint and Rhyl travel-to-work area 145 Welsh Development Agency advance factories have been completed since 1979. Twenty-eight units are still available for letting. In the Wrexham travel-to-work area, 57 WDA units have been completed since 1979. Twenty-five units are still available for letting.

Delyn is of course unique in north-east Wales in that it has the benefit of an enterprise zone. Since its designation in 1983, 40 per cent. of the enterprise zone has been developed and 22 new establishments have been attracted to it. It has resulted so far in a net increase of employment of about 300 jobs and I know that the local authority hopes to make further positive announcements in the near future.

The Welsh Office has made very considerable commitments to the zone since 1981-82 totalling £6·3 million. Of this, £1·6 million has been allocated for the current year through the urban programme and capital allocations. Additionally, Delyn borough council has received £750,000 to compensate for the loss of rate revenue in the zone. The WDA has completed 38 units on the Manor industrial estate there, and the agency has financed three substantial reclamation schemes at a total cost of nearly £2 million.

All that would seem to me to be a highly creditable record of involvement in providing land and factory building in advance of demand by would-be developers and employers. I am sure that the Welsh Development Agency will maintain its record.

The EEC has also been helpful to Clwyd. The total identifiable EEC aid to the county is in excess of £175 million since 1975. Within this, over £36 million of ERDF quota aid has been committed to the county since 1975, of which about £850,000 has been made available for schemes within the Delyn enterprise zone alone.

I could mention other support measures if time were not against me. They all add up to a substantial input of public money into the area.

I shall draw to a conclusion by paying tribute to the local authorities in north-east Wales, which have striven energetically over the years to encourage economic regeneration in their areas. They have "sold" the attractions of their areas responsibly and effectively, and they have substantial successes to show for it. I know that no one is more anxious than they are that positive steps should be taken to continue with the task of creating new job opportunities. Within the past few days Clwyd county council and Delyn borough council have put forward proposals to tackle their latest problems. They have rightly emphasised that they are looking essentially for a re-ordering of existing priorities and resources. However, they are calling also for the expenditure of additional public money. My hon. Friend would not expect me to say any more this evening than that the proposals are being considered. We shall examine them as quickly and as sympathetically as possible to ascertain what can be done.

It is sad that these major closures in north-east Wales should be the subject of debate in the House, bringing almost to an end, though not completely, the long-standing relationship between Courtaulds and the people of north-east Wales. Although the closures announcements were not entirely unexpected, they are a considerable blow. They represent the culmination of a series of cuts by the company over the years. The decisions were for the company to take and I am sure that they were as painful to the management as to the work force. It is not for the Government to try to second guess companies which have to survive in the market place and respond to changing demand for their products.

There are encouraging signs, and I know that they are recognised. The effort to build on the successes achieved in Clwyd and Delyn must and will continue.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes to Twelve o'clock.

House of Commons

Friday 3 May 1985

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITIONS

Human Embryos

9.35 am

Ms. Jo Richardson (Barking): I have the honour to present a petition containing well over 7,000 signatures of United Kingdom residents who oppose the Unborn Children (Protection) Bill that we are to discuss today. The signatories are from all parts of the country — north, south, east and west. That is why I have been asked to present the petition rather than divide it between individual Members of Parliament.

The majority of the signatories are women who object to the Bill because they believe that it pre-empts consideration of the Warnock report; that it discriminates against women; that it brings the state into an area of private life by requiring a woman to be specified to the Secretary of State; that it severely restricts the use of fertilised embryos; that it damages research into infertility, the causes of handicap, gene defects and the treatment of infertility; and that it opens the way to attacks on the abortion law and the use of some forms of contraception.

The petitioners hope and pray that Parliament will take serious note of their very strong opposition.

To lie upon the Table.

Later——

Mr. Peter Thurnham (Bolton, North-East): I have the honour to present a petition from 337 residents in the north-west of England who oppose the Unborn Children (Protection) Bill and pray that it does not receive a Third Reading.

Under the heading "No to Powell" it sheweth

That Mr. Enoch Powell's Unborn Children (Protection) Bill will have adverse effects by preventing research, and increasing the bureaucracy involved, in 'In Vitro Fertilisation'.

Wherefore your Petitioners pray that the Bill be not given a Third Reading.

And your Petitioners, as in duty bound, will ever pray.

To lie upon the Table.

Mr. Alfred Dubs (Battersea): I wish to present a petition on behalf of the residents of my constituency of Battersea and of other parts of the United Kingdom.

The petition sheweth

That the Unborn Children (Protection) Bill will, if enacted, severely damage the treatment of infertile women, prevent much-needed research, encroach upon patient confidentiality and give legal protection to the embryo, wherefore your Petitioners pray that your Honourable House vote against the Unborn Children (Protection) Bill at Third Reading, realising that it pre-empts a proper consideration of the Warnock Report; by charging for application for a named woman to be treated for infertility by in vitro fertilisation it discriminates against poor women and brings the State into an area of private life; by severely restricting the use of fertilised embryos it damages research into infertility, causes of handicap, contraception, gene defects and treatment of infertility; by giving the embryo legal protection it accepts the view of a minority of the population and opens the way to an attack on abortion and the use of some forms of contraception.

I wish to associate myself with this petition.

To lie upon the Table.

Unwanted Pregnancies

9.36 am

Mr. Chris Smith (Islington, South and Finsbury): I have the honour to present a petition on behalf of a number of my constituents and other residents of north London relating to the Department of Health and Social Security circular of December 1980 and the decision of the courts in relation to the Gillick case.

The humble petition of United Kingdom residents showeth

That to prevent unwanted pregnancies amongst young women under sixteen years of age the DHSS Circular of December 1980 should be fully implemented.

Wherefore your Petitioners pray that your Honourable House do urge the Secretary of State for Social Services that

If the House of Lords upon Appeal in the case of Gillick v West Norfolk and Wisbech AHA and Another do uphold the decision of the Court of Appeal this would leave many young women in danger of unwanted pregnancies and prevent doctors from giving treatment they felt necessary for the health of their patients and

The law should be changed to allow doctors to give abortion and contraceptive advice and treatment as set out in the DHSS Circular on the organisation and development of a family planning service.

And your Petitioners, as in duty bound, will ever pray, etc.

To lie upon the Table.

Unborn Children (Protection) Bill (Amendments)

Mr. Speaker: Before we proceed to the remaining stages of the Road Traffic (Production of Documents) Bill, I must say to the House and to those hon. Members who raised with me yesterday the question of my provisional selection on the Unborn Children (Protection) Bill that I have reconsidered the selection, and the revised list is in the No Lobby.

As the hon. Members for Caernarfon (Mr. Wigley) and for Fife, Central (Mr. Hamilton) are present, I must tell them that, having been into the representations which they made to me with the greatest care, I regret that I have not been able to select their amendments.

Orders of the Day

Road Traffic (Production of Documents) Bill

Not amended (in the Standing Committee), considered.

Clause 1

EXTENSION OF PERIODS FOR PRODUCTION OF CERTAIN DOCUMENTS

9.41 pm

Mr. Ian Mikardo (Bow and Poplar): I beg to move amendment No. 1, in page 1, line 14, leave out 'seven' and insert 'ten'.

Mr. Speaker: It will be convenient to consider at the same time the following amendments: No. 7, in page 2, line 14, leave out 'seven' and insert 'ten'.

No. 15, in page 3, line 5, leave out 'seven' and insert 'ten'.

No. 22, in page 3, line 25, leave out 'seven' and insert 'ten'.

No. 28, in page 3, line 42, leave out 'seven' and insert 'ten'.

No. 30, in page 4, line 3, leave out 'seven' and insert 'ten'.

Mr. Mikardo: It is convenient to discuss those amendments together, Mr. Speaker, because they relate to the same point and are consequential.

The whole House is in the debt of the hon. Member for Beaconsfield (Mr. Smith) for introducing the Bill. While it is, he will agree, a modest measure, it will lighten a burden on people who have committed no real crime or act of gross negligence. They should not, for an act of forgetfulness or something similar, be made to suffer.

I hope that, well before the conclusion of our proceedings today, the Bill will have received its Third Reading and been sent to another place, and that when it gets there the gods on those Olympian heights will also look kindly on it and get a Neptune from among their number to give it a fair wind.

My only complaint about the Bill is that it does not go far enough. I am endeavouring by my amendments to fill somewhat further the cornucopia of blessings which the hon. Member for Beaconsfield is planning to give to offending motorists.

It is unreasonable for motorists to have to produce these documents within five days. To do so can sometimes cause great difficulty. Imagine a chap who lives in Newcastle upon Tyne driving with his family to spend their holiday in Torquay. They stop for a Devon cream tea in Honiton and the chap parks the car in a spot where it should not be parked. For that misdemeanour he may be under an obligation to produce his licence within a few days because he has left the document at home. Should he drive all the way from Honiton to Newcastle or cut his holiday short, to five days, so that he can return in time to produce his licence and not commit an offence?

Since tabling the amendment, I have been wondering whether 10 days is a sufficient period. A chap from Newcastle upon Tyne is driving with his family to a camping site in France where they intend to have a 14-day

holiday. They stop for tea in Dover just before boarding the ferry. Having parked in the wrong place, he is asked to produce the necessary documents but discovers that he has left them at home. Should he give up his family's place on the ferry and drive back to Newcastle or board the ferry and risk prosecution?

The hon. Member for Beaconsfield may tell me that all such contingencies are covered by clause 1(2)*(d)* and that people can cite that in their defence. There are two things wrong with that safeguard. First, if there is to be a defence, why increase the period from five to seven days in the first place?

By increasing the period and by adding that defence, the hon. Gentleman has tried to reduce the number of people who find themselves in difficulty when having to produce these documents. That is a worthy aim, but if, as I say, we are to rely on a defence for people who have committed an offence through sheer forgetfulness, the period could have remained at five days.

Secondly, the phrase in subsection (2)*(d)* which states "it is not reasonably practicable for it to be produced there" could cause complications. Having been a member of many Standing Committees, I can scarcely recall one when there was not a long debate about the words "reasonable" or "reasonably". Such words always create legislative difficulties because they are imprecise. What is reasonable to Tom may not be reasonable to Dick, and one cannot tell how a court will interpret "reasonable".

I hope that I do not utter a blasphemy when I say that courts have been known to be unreasonable, and I recently had an experience of that. I parked my car in a spot where it should not have been left. Being the defendant, I drew the attention of the court to the fact that, according to Butterworth, one may put in a plea in mitigation referring to similar cases that have come before the courts. The lady in charge of the bench that day flatly refused to allow me to mitigate in that way, although I saw her clerk drawing her attention to the relevant passage in Butterworth. That is why I say that great difficulty can be caused when words such as "reasonable" are put in legislation.

I had intended to try to amend subsection (2)*(d)* with a different form of words which I thought would be more helpful to the defendant. Mr. Speaker did not select that amendment, and I make no complaint about that; perhaps he felt that I was replacing one imprecise term with another. I still believe that it would have been easier for a motorist to defend himself under my wording than under the subsection as drafted.

I hope that my amendment will be accepted, although I do not propose to have a great battle over it or, indeed, over anything in the Bill. If it is accepted, the hon. Member for Beaconsfield may care to suggest to any friends he may have in another place that they might take yet another look at the period within which documents must be produced. As I say, I am not sure that 10 days is long enough.

Mr. William Cash (Stafford): On a point of order, Mr. Deputy Speaker. I wish to protest about the procedural position that has developed.

Mr. Deputy Speaker (Sir Paul Dean): Order. I hope that the hon. Gentleman has a point of order for me. The hon. Gentleman cannot make a protest, but must make a point of order on which I can rule.

Mr. Cash: My point is that these proceedings are wasting time.

Mr. Deputy Speaker: Order. The business is perfectly in order, or it would not be on the Order Paper, and the amendments would not have been selected.

Mr. Jerry Wiggin (Weston-super-Mare): I wish to speak briefly in support of the amendments of the hon. Member for Bow and Poplar (Mr. Mikardo). I understand the good will with which my hon. Friend the Member for Beaconsfield (Mr. Smith) moved his Bill, and I support the complimentary remarks about the matter. However, we must first examine what the matter is about.

If I understand the law correctly, every motorist is required to carry with him the statutory documents to which this matter refers. When the Government passed the two original statutes, they wrote in a modest concession that permitted five days grace. That was reasonable and right. I support the prospect of increasing that period from five days.

. . The hon. Member for Bow and Poplar made a good point when he said that seven days was a rather inconvenient period for many people because a week is often a holiday period. Therefore, I agree with his amendment. However, if my hon Friend can persuade me that a period of more than seven but fewer than 10 days is better for any reason, I shall accept his view.

I recall an occasion when Iwas stopped because one rear light was not working. I gave it a kick and it worked again. However, because of the procedure, I was required to produce the documents. My secretary was away on holiday and I can never find anything in her filing system. It took me a considerable time to overcome what I consider to be a ludicrous bureaucratic process. I share the will of the promoter of the Bill and of the group of amendments

The matter is serious. Many matters in the Road Traffic Acts apply to all the motoring citizens of our nation and should therefore be debated more frequently. It is an indictment of our legislation that it is necessary to produce a Bill for a minor amendment. I have great pleasure in supporting the amendment. I hope that my hon. Friend will accept that it is tabled with the best of intentions to improve what is already a concession and to make it more agreeable to many people.

Ms. Clare Short (Birmingham, Ladywood): I support the amendments. As my hon. Friend the Member for Bow and Poplar (Mr. Mikardo) said, the Bill is practical and limited in intention, but useful. We all talk at length about the need to improve relationships between the police and the public. Various surveys have shown that road traffic matters are the major area of conflict. They lead to all sorts of resentment, disgruntlement and feelings of hostility towards the police. Anything that we can do to minimise that must be useful.

The Bill is too unambitious. It seeks to lengthen from five to seven days the period allowed to produce documents required by the police. That is insufficient. Nowadays, people are more mobile and move around the country far more than they used to. People are away from home on holidays and for work purposes, and often for a week or more. If people are away from home and are required to produce documents, they may have to travel home again. They may not have all the documents to hand, and they may have to make arrangements to obtain them. Many people would find it difficult to produce the necessary documents within seven days.

It may be useful to the House to detail the documents to which we are referring. Clause 1(2) refers to certificates

[Ms. Clare Short]

of medical exemption from wearing seat belts. A person may have such a certificate or be entitled to such an exemption, but not have the certificates with him. He may then have to return home, see his doctor, obtain such a certificate, and return to the place where the police stopped him in the first place. That could take more than seven days.

Clause 1(3) refers to a driving instructor's certificate or licence. Clause 1(4) refers to the ordinary driving licence. Obviously, that is the most common provision under which motorists are caught. Although I am not a motorist — I am a great supporter of public transport — I understand that driving licences that are sent for renewal are frequently held up in Cardiff.

Mr. Dafydd Wigley (Caernarfon): Nothing is held up in Cardiff, except through the inefficiency of the post from time to time. The driving and vehicle licensing centre is in Swansea, but that, too, has an excellent record.

Ms. Short: I apologise to the hon. Member for Caernarfon (Mr. Wigley), who tells me that the organisation is efficient and that the post causes delays. Whatever the cause, I am aware that there are great delays when people renew their driving licences.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I have been listening with great care, but I have a tiny worry. Will my hon. Friend tell me exactly what she has in mind about the production of certificates of exemption from wearing seat belts? That is an important point, on which I shall have something to say shortly. Does she believe that people may be inclined to seek to avoid the responsibility of wearing seat belts by saying that they cannot produce that certificate, and by using the extra time to get, for example, a private practitioner to give them a certificate? I am worried that that may be possible.

Ms. Short: I understand my hon. Friend's worry. However, the law on the compulsory wearing of seat belts has been enormously successful and is popular. The claims that it would infringe civil liberties have been unfounded. I have not come across people who have defiantly refused to wear their seat belts. Therefore, I believe that my hon. Friend's fears are groundless. On the other hand, some people may have genuine reasons for medical exemptions but may not be able to find their medical certificates. They may be away from home and they may need to see their doctor. My experience of the law on seat belts is that it is popular, and that people comply with it and do not wish to resist it.

Clause 1(5) refers to the other documents which may have to be produced, such as an insurance certificate, an MOT-test certificate, a plating certificate or a goods vehicle test certificate.

The first purpose of the Bill is to extend the time in which people can produce their certificates, and the second is to end the absolute offence of failing to produce the certificates in time. That is right. It allows a person to demonstrate in court that he had reasonable cause for being unable to produce any of the certificates. If we extend the period from seven to 10 days, we shall reduce the number of trivial cases clogging up the courts when people have reasonable excuses. There are enormous costs and increasing delays in our legal system. Justice delayed is justice denied, and it is extremely desirable that the amendment should be accepted. It might be acceptable to the hon. Member for Beaconsfield (Mr. Smith), who has so usefully introduced the Bill, and it would be beneficial to us all in the ways that I have outlined.

10 am

Mr. Peter Thurnham (Bolton, North-East): I oppose the amendments. Although it would be superficially attractive to allow the extra few days, in practice some flexibility should be allowed. I suggest that the police should have the power to demand the documents more or less immediately if they believe that something is wrong.

Britain has the worst stolen car record in Europe. A report in *The Times* on 1 May stated that twice as many cars are stolen in Britain as in France, and six times as many as in West Germany. It is believed that as many as 6,000 luxury cars have been taken abroad. If a policeman stops a luxury car on its way to Dover because he has reason to believe that it would be taken abroad illegally, he should have no hesitation in demanding to see the driver's licence and other documents immediately and to hold the driver until they could be produced.

The Home Office has suggested setting up a study group to investigate the epidemic. In France, the manufacturers and distributors of BMW cars are suggesting that registration numbers should be etched on windscreens and all the windows. Perhaps we should go further than that. Will the Home Office study team consider the suggestion that someone who has been convicted of stealing cars should be tattooed——

Mr. Deputy Speaker: Order. I find it difficult to relate the hon. Gentleman's remarks to the amendment. He must relate his speech to the amendments that we are discussing.

Mr. Thurnham: I apologise, Mr. Deputy Speaker. I was trying to say that the police should have more flexibility and should be able to demand documents immediately and to hold a person until the documents are produced. If the police stopped a suspicious-looking motorist, they could ask to look at his left wrist. Recently, a person was arrested for a serious offence because he was wearing his watch on one wrist rather than the other. If the motorist was seen to be keeping his left hand firmly in his pocket, the police might have reason to suppose——

Mr. Deputy Speaker: Order. The amendment deals with whether the production of documents should be required within seven or 10 days, and the hon. Gentleman's remarks must be addressed to that.

Mr. Thurnham: I would favour an arrangement whereby this could be left to the discretion of the police officer. If he has reason to suppose that a vehicle is being taken abroad illegally, he should be able to demand the documents immediately and should not have to wait for 10 days.

Mr. Wigley: I support the extension of the time available for the production of documents, because this is a constituency problem that I have come across many times. It affects people in an area such as mine, where tourism is a major industry and where, regrettably, there is no adequate public transport system. Therefore, more people must rely on motor vehicles. Indeed, the ownership

of motor vehicles in my county is the highest per thousand population in the United Kingdom. The next highest is in Powys, which is another rural area.

The majority of tourists to my area travel by road, and of those, the majority come by car. Every summer, problems arise with people who have been stopped by the police, for major or minor traffic incidents, who do not have their documents with them. Many people have come to my office during holiday periods looking for help. They have driven to the beauties of Snowdonia, the Menai straits, the Lleyn peninsula, perhaps from London, Scotland or Newcastle upon Tyne——

Ms. Clare Short: And from Birmingham.

Mr. Wigley: Many people come from Birmingham and from north-west England, but I was thinking especially of people who come from even further away and who, regrettably, do not have their documents with them.

I take the point made by the hon. Member for Bolton, North-East (Mr. Thurnham) that there may be a case for people carrying their documents with them at all times, although I would oppose any recommendation from the Home Office study team to which he referred that would impose such a restriction.

Mr. Kevin Barron (Rother Valley): The hon. Gentleman says that there may be a case for people carrying documents with them at all times. I have been a motorist for many years, and on some occasions, although I have not broken the law in any way, I have not had all the three documents that I need to drive a car. I have not been able to produce them immediately because I had sent them to Swansea or elsewhere.

Mr. Wigley: I take the hon. Gentleman's point, and I was about to refer to Swansea. It is possible to overcome the problem of documents being tied up in Swansea. I realise that there were difficulties in Swansea, but most of them have been overcome. However, in the past, documents were lying in Swansea for a month or even two, which made it impossible for people to comply with the requirements of the law. Indeed, it would have made it impossible for them to comply with the requirements of this Bill, even if the period were extended to seven or 10 days.

Dr. M. S. Miller (East Kilbride): Does the hon. Gentleman agree that this is the minimum that should be asked for? Often the motorist who is required to produce his driving licence or insurance certificate is completely innocent. Has the hon. Gentleman considered the possibility of the police contacting Swansea or the motorist's insurance company, if the motorist can produce some identification to show who he is?

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman will resist the temptation to go down that road, which is wide of the amendment.

Mr. Wigley: I note what you say, Mr. Deputy Speaker, and will comply with it. The question whether there should be an extension from five to seven or 10 days depends upon what other powers the police could be given instead. As the hon. Member for East Kilbride (Dr. Miller) said, there may be other ways of overcoming the problem. Although an extension of the period from five to 10 days will cut the number of instances of people being unable to produce documents in time, it will not stop them altogether. The hon. Gentleman's question was valid, although I realise that the debate must relate to the extension to seven or 10 days.

It would be practical for the police to check some things, including the ownership of the car. Indeed, they can do so already. A police officer can radio from his car and check with the central computer to discover who owns the car that he has stopped. It would be much more difficult to check insurance and MOT certificates and disablement documents, which are also covered by the amendments. Although there is merit in considering whether some of the problems can be resolved by the means suggested by the hon. Member for East Kilbride, it would not answer all the problems. We must return to the time limit, which is the matter under consideration now.

Mr. Tam Dalyell (Linlithgow): Some years ago, I spent a holiday in the hon. Gentleman's glorious constituency. Without being offensive to him, may I ask why the Welsh are so bureaucratic?

Mr. Wigley: When those who visit my constituency ask nicely in the Welsh language for their mitigating factors to be taken into consideration, they have no difficulty at all. When they ask in English, it is not too bad. But when people use other languages or accents that are difficult to understand, it sometimes causes problems.

The hon. Member for Linlithgow (Mr. Dalyell) makes a pertinent point. Like others, he has been on holiday in my lovely part of the world, to which he paid tribute. I hope that he will go again and take his friends with him. He has come up against the bureaucracy which is at the core of the problem. We must try to overcome that bureaucracy.

The hon. Gentleman might have to go to the police station in Pwllheli, Portmadoc or Criccieth and produce his documents. He might not have those documents with him, but if he were allowed a week or two to produce them that would allow him to return home and to present them to his local police station, where he will be a well known person, and bureaucracy would be reduced. I am sure that the police in my area are not deliberately awkward, but they have to enforce the law.

The problem applies not only to Wales but to the south-west and the Lake District where many people spend their holidays. If a traffic offence is committed, documents have to be checked.

Mr. Thurnham: Is the hon. Gentleman suggesting that people who holiday in the Lake District are particularly liable to commit motoring offences? I live there and that is not my experience.

Mr. Wigley: I was not aware that the hon. Gentleman lived in the Lake District. He is lucky to have a house there in view of the restrictions imposed by section 32 of the Town and Country Planning Act 1971. I am sure that the people who holiday in the Lake District commit no more offences than those who holiday elsewhere. If the police do their job properly the problem is bound to arise. We have to decide how to stop disrupting people's holidays unnecessarily.

People who go to Gwynedd usually plan to stay for at least 10 days. They arrive on Friday night and stay until a week the following Sunday. We must allow at least 10 days for documents to be produced. An offence might be

[Mr. Wigley]

committed on the journey. A driver might be forced to turn back to look for the necessary documents. Of course, drivers should carry the documentation with them. That would save trouble all round.

Mr. Wiggin: I accept what the hon. Gentleman says, but it would be wrong to suggest that the problem affects holiday makers alone. The insurance document causes most difficulty. For example, a garage or company might insure 50 cars and have only one insurance certificate. The problem is widespread and serious.

Mr. Wigley: I accept that and intend to deal with it when I have completed my constituency argument. I have received direct representations from constituents with bed and breakfast establishments, hotels or caravan parks who are worried about how their guests are somtimes messed up by the regulations. I have also heard from constituents who have been out of the area on business or for other reasons.

Disabled visitors to my constituency have also encountered problems. Some disabled people have difficulties with seat belts and many have certificates which allow them to travel without wearing seat belts. A number of places in my constituency specialise in holidays for the disabled and so more than the average number of disabled people go there for their holidays, and I welcome that. Disabled people often find it difficult to make long journeys and it is even more difficult and painful for them if they are forced to make the long journey back home to find a document. They might have then to curtail their holiday and not be able to find an alternative place.

Any disabled person who wants a certificate of dispensation should seek it immediately rather than after the event. I am not sure whether people have a right to apply retrospectively for a certificate permitting them to travel without wearing a seat belt. Such a certificate will probably not be valid if it is obtained after the event.

10.15 am

Ms. Clare Short: I suspect that the hon. Gentleman is right in that disabled people must have the certificate of dispensation before they drive. However, the certificate might be lost and the person would have to return to the doctor for a new one.

Mr. Wigley: That is true of driving licences, certificates of insurance and MOT certificates, which can also be lost. The possibility of losing a document is one degree higher for a disabled person.

An extension of the time allowed to produce documents to at least 10 days is essential. I should prefer 14 days to be allowed and I regret that I did not table an amendment to that effect. However, I shall support the amendment to extend the time allowed to 10 days.

Before I came to the House I worked for the Hoover company in Merthyr Tydfil. The company had sister factories outside Glasgow and outside London at Greenfield. One day a problem arose and it was necessary for me to drive to Scotland. I was stopped in Scotland and asked for my documents. I did not have them with me because I did not expect when I left for work that I should have to speed to the other factory.

Ms. Clare Short: Did the hon. Gentleman find the people in Scotland bureaucratic?

Mr. Wigley: I found the people in Scotland difficult to understand, particularly in the Glasgow area, but they were friendly. The word "Glasgow" originates from the word "Glasgae" meaning "blue field."

Mr. Chris Smith (Islington, South and Finsbury): I fear that I must correct the hon. Gentleman. I believe that "Glasgow" means "dear green place", not "blue".

Mr. Wigley: That is interesting because the word "glas" has two connotations in Welsh—one suggesting blue and the other green. That might reflect the colour of the fields in Wales which are a blue shade of green as opposed to the emerald green of Ireland.

Mr. Deputy Speaker: Order. I realise that the hon. Gentleman is being tempted, but I hope he will now address his remarks to the amendment.

Mr. Wigley: Thank you, Mr. Deputy Speaker, for rescuing me from the blues and greens of Glasgow.

I was making a serious point. Many people are caught without warning on a long journey when they do not have their documentation with them. Some documents cover more than one vehicle or more than one driver. For example, my wife and I drive the same car, but we have only one MOT document. It is not practical for one of us to carry the document. Given the number of car break-ins, I would hesitate about leaving the document in the car. Therefore, we shall need to plan in advance if the MOT document is to go with the driver.

When people are called away on business, it may not be practical for them to carry documents with them.

Mr. Thurnham: The hon. Gentleman is losing sight of the main point, which is that papers should be available to show that a person is authorised to drive the vehicle. If we extend the period from seven days to 10 days, we will give a person who has stolen a car more time to get away. I do not suppose that he would be going to Glasgow if he intended to take the car abroad, but if he is on his way to a port, he would be given more time to get away.

Mr. Wigley: There is an alternative way for the police to keep an eye out for stolen vehicles. The police computer is very efficient, as I know from an incident in my constituency. The computer can trace the owner of a car very quickly.

Mr. Leo Abse (Torfaen): Is not the hon. Member dodging the issue? It is abundantly clear that the issue of stolen cars is relevant to the amendments. Extending the limit would give thieves many days' start before the police were put on inquiry. That important point has not been met and it is one of the most fundamental problems that we shall have to consider on some of these amendments.

Mr. Wigley: The logic of the hon. Gentleman's argument is that we should do away with the five-day period and that the police should be entitled to see documents on the spot. Once the driver has left the scene, the police are back to square one.

There has been a great increase in the number of stolen vehicles, and safeguards are needed, but I question whether they should include cutting down the five-day period, which is the only logical way to meet the point made by the hon. Member for Torfaen (Mr. Abse). That would impose enormous inconvenience on motorists. They would need to take documents with them whenever they were in a car and, when there was more than one

driver of a car, multiple copies of the documents would have to be made. The bureaucracy about which we heard complaints earlier would be extended.

We must look for other ways of checking for stolen cars, and the use of the police computer is one such way. I should like the time limit lengthened rather than shortened.

Ms. Clare Short: Any suggestion that the Bill relates to dealing with stolen cars is misguided. The Bill aims to ensure that people are properly insured and that their cars have MOT certificates. There are other ways of dealing with the problem of stolen cars. I believe that the police are now entitled to demand that people give them their name and address, and a simple check on the police computer will reveal the name of the owner of a car.

Mr. Wigley: I agree with the hon. Lady. We have to follow that line because of the implications of doing otherwise. If we are to react to the problem of stolen cars by allowing the police to demand documents on the spot, we will create serious problems. We must go one way or the other. At the moment, we have the worst of both worlds. I can see the argument for shortening the time limit, but the price that would have to be paid by the 95 per cent. of innocent citizens is not worth paying when there are acceptable alternatives.

Because the Bill would present problems in relation to tourism in my area, because of the difficulties of those who make long journeys away from home—our lives have changed in recent years and many more people now use cars — and because of the implications for disabled people who might have to interrupt holidays or journeys that are often undertaken in pain and with difficulty, I believe that we need to change the Bill. I recommend hon. Members to support the amendments, though I should like them to go further.

Mr. Abse: I join my hon. Friend the Member for Bow and Poplar (Mr. Mikardo) in congratulating the hon. Member for Beaconsfield (Mr. Smith) on having brought his Bill thus far.

Knowing, as I do, the anxieties of hon. Members when their Bill seems to be coming to the end of its passage through the House, but other hon. Members are still exploring the issues, I should tell the hon. Member for Beaconsfield that, although I feel compelled to speak about the amendments and, doubtless, other issues, I am sure that my view that the House must reach a decision on the Bill is widely shared. I say that to relieve anxiety as I begin to speak in what so far has not been a debate about each of the amendments in the group.

As a result of the seductive persuasions of my hon. Friend the Member for Bow and Poplar, we have been misled into believing that the same theme runs through all the amendments. In fact, the same principle is not necessarily involved in each amendment.

Mr. Ivor Stanbrook (Orpington): Is not the real reason for the hon. Gentleman's speech—apparently he intends to speak at length—the intention to prevent debate on and passage of the next Bill on the Order Paper?

Mr. Abse: Let us deal with one Bill at a time. Each Bill is important. I hope that we shall reach other Bills in which, evidently, the hon. Member for Orpington (Mr. Stanbrook) is interested, but it would be wrong for us, in our desire to reach other Bills, to fail to scrutinise the amendments before us, all of which are exceedingly important and impinge on millions of motorists. I shall not be deflected from my path as a consequence of the enthusiasm of the hon. Member for Orpington, which I share, to debate other matters.

Mr. Mikardo: I hope that my hon. Friend will not be deflected from his path by interventions that are a direct criticism of the Chair.

Mr. Abse: I am sure that Mr. Deputy Speaker is well able to protect the Chair. I hope that the admonition implied by my hon. Friend the Member for Bow and Poplar will mean that we shall not have any more such interventions.

10.30 am

We must relate our remarks to each amendment. I shall deal first with the seat belt amendment. I heard what my hon. Friend the Member for Bow and Poplar said, but why should we become more permissive and relax the rules about the wearing of seat belts?

I hope that the Minister will tell us why we decided that documents should be produced to the police within a specified time. Part of the armoury of the police force is to be able to check on a range of matters to protect the public, motorists, pedestrians and law-abiding citizens against thieves. Before we start denting that armoury, as we shall if we accept the amendments, we must constantly bear in mind that there was a rationale in regulations which insist upon the production of documents. They did not come about out of caprice. They are part of the armoury of the police, and they should not be taken away from them.

Mr. Barron: I was once involved in a road accident. Eventually the police discovered that the person in charge of the other vehicle was uninsured. As I had only third party insurance, I lost the car that had taken me about two years to buy. The production of documents is necessary in those circumstances. The rationale is to protect other people, not necessarily the driver.

Mr. Deputy Speaker: Order. I hope that the hon. Member for Torfaen (Mr. Abse) will bear in mind that we are discussing not the rationale of the production of documents, but a time factor.

Mr. Abse: I am sure you will agree, Mr. Deputy Speaker, that we must take into account the views of my hon. Friend the Member for Rother Valley (Mr. Barron) who was stressing the difficulties that could arise if we extend the time, as proposed in the amendments, for the production of an insurance certificate. It is an important point.

The first amendment relates to seat belts. I asked why we should relax the rules. If someone drives without wearing a seat belt, he is not committing a criminal offence, but placing the public at risk through the administrative expense of pursuing a prosecution. The consequences of someone sustaining an accident while not wearing a seat belt are serious for the community as well as for that person.

We should consider whether to be more permissive to exempt drivers. That point has been mentioned during the debate. My hon. Friend the Member for Birmingham, Ladywood (Ms. Short) expressed misgivings and challenged the view that it would not matter if we allowed an exempt driver longer to produce documents than is

[Mr. Abse]

proposed. I am not satisfied that that is right. I hope that I do not appear to be insensitive. The exempt driver suffers from a disability. The issue is whether an exempt driver should be able to obtain a medical certificate retrospectively. If a person wants to drive without a seat belt, he must follow the prescribed procedure to obtain a lawful exemption which includes the production of a medical certificate.

Ms. Clare Short: This is ultimately a legal question. Surely my hon. Friend is not suggesting that there should not be some provision for retrospective authorisation for not wearing a seat belt if, for example, one broke one's arm on holiday and had it in plaster, and was stopped and required to explain why one was not wearing a seat belt.

Mr. Abse: I shall not be tempted to pursue that point. I know that Mr. Deputy Speaker has his vigilant eye upon me. I do not want to go outside the parameter of the amendments. I am sure that I shall receive your admonition, Mr. Deputy Speaker, if I develop the theme, as my hon. Friend is tempting me to do.

The exempt driver knows that he is suffering from a disability. There is nothing unexpected about it. He knows that when he goes on holiday to that delightful part of the country in the finest part of the kingdom described by the hon. Member for Caernarfon (Mr. Wigley). The minimum precautions that a disabled person can take before he or she enters the Principality is to ensure that he or she carries a medical certificate.

It may be said that as not all of us carry our driving licences and insurance certificates with us, why should we impose a further difficulty upon the exempt driver, who may have a severe disability, and say that he must carry his medical certificate?

I can understand the arguments put forward about the danger of keeping documents in a car in a holiday area. The hon. Member for Caernarfon has the most law-abiding constituents, as I know from the statistics, but, unfortunately, his constituency is so attractive that often other people of different temperaments—I hope I shall not be accused of xenophobia by saying this—pour in. I understand the point that he made about the difficulty of ensuring adequate security for documents. Is it being seriously suggested that if an exempt driver took a photocopy of his certificate anyone else would want it? Of course not. He could take the precaution of taking a copy with him at all times.

Mr. Wigley: The hon. Gentleman has not followed my argument about leaving documents in a car. I was talking about the MOT certificate. There might be several drivers of a car, but only one document for the vehicle. There is an argument for requiring documents to be in the vehicle rather than on the person. I take the hon. Gentleman's point about the documentation relating to the person in the case of the disabled. A difficulty arises, however, because some disabled people might be given a certificate for a limited time. The expiry date of driving licences and insurance documents is clear, but that is not so for certificates for the disabled. Disabled people might therefore be caught out.

Mr. Abse: Like others, the hon. Gentleman seems to believe that when a policeman pulls somebody up, he must ask that person to go to a police station with the necessary documents within five days. I am sure that the Minister will confirm that that does not happen. The police officer has discretion. Is the hon. Gentleman suggesting that, if an out-of-date certificate is presented and the police officer can see that the driver is severely disabled, he will ask him to go to a police station with the relevant documents? Of course not. But if there is no visible sign of disability, it is right to ask the driver to go to a police station, because of a possible deception.

10.45 am

Mr. Wigley: Surely the hon. Gentleman does not want to put the police in the invidious position of having to make a value judgment about disability. Their job is difficult enough already. The whole point of the extension of time is to take away a discretion which the hon. Gentleman recognises is necessary if a disabled driver's documentation is not intact. As for the visibility of disablement, the hon. Gentleman must have seen people who appear fit, but have orange badges and who might have a serious condition which could kill them. Some people have an aversion to seat belts which could trigger complaints, such as a heart condition, which might prove fatal. It would be wholly wrong to put a duty on the police to make a judgment.

Mr. Abse: I do not agree with the hon. Gentleman's first point, although I see the cogency of his argument. We should not have a rigid bureaucratic attitude about the duties of police officers. They exercise their discretion sagely, and I should hate to take it away from them. I agree with the hon. Gentleman about the lack of visible disability, but only the genuine disabled should be exempt.

What is the likely result of the extra days in which drivers can go around without wearing a seat belt? The longer the extension, the greater the dangers to the community. The cost of people not wearing seat belts is not marginal. It is not possible to calculate what extra cost would be incurred if the nation were allowed to drive without seat belts for two days, but it would be gargantuan. There were 465 road deaths in 1982 and 353 in 1983. It has been calculated that £132 million has been saved as a result of the seat belt legislation.

My hon. Friend the Member for Bow and Poplar said with some insouciance that the only major consideration is administrative convenience. He should consider the consequences in terms of the cost to society. I do not want to delay the House as there are many amendments which require discussion.

Amendment No. 7 concerns the production of certificates and licences. Does my hon. Friend the Member for Bow and Poplar really fail to appreciate that the amendment is wholly misconceived? It has been said that the amendments in this group are similar. Indeed, they have been taken together. I am sure that the hon. Member for Beaconsfield will confirm that this part of the Bill has nothing to do with the production of documents by the ordinary motorist. This point, which has not been brought to the attention of the House, is relevant to section 137 of the Road Traffic Act 1972, the heading of which states:

"Production of certificates and licences to constables and authorised persons."

Other sections of that Act make it clear that the amendment has nothing to do with the ordinary motorist. The amendment is concerned with the production of

documents involving licensed or certificated driving instructors. Will the hon. Member for Beaconsfield, who is the Bill's promoter, confirm that my understanding is correct?

Mr. Tim Smith (Beaconsfield): I can confirm that section 137 of the Road Traffic Act 1972 provides that a person who holds a driving instructor's certificate or licence must produce it if required to a constable or a person authorised in writing by the Secretary of State. The hon. Gentleman is absolutely correct.

Mr. Abse: I am obliged to the hon. Gentleman for his corroboration of that point.

Do we want to relax the rules, as the amendment intends? This would be a serious step. During the debate on the 1972 legislation, the House gave great attention to the people in charge of people learning to drive. Hon. Members were not prepared to allow any Tom, Dick or Harry to make out that he was capable of teaching others to drive. I admonish my hon. Friend the Member for Bow and Poplar for not having directed the attention of hon. Members to section 137.

Mr. Mikardo: Perhaps it would ease my hon. Friend's concern—I am always anxious to do so—and save some of the valuable time of the House if I say that I do not propose to move the amendment to which he refers.

Mr. Abse: I do not think that that is satisfactory in a long debate of this kind on an issue that will be relevant to Third Reading. We need to know a great deal more about why the Bill's promoter wants the time to be extended. In tabling the amendment my hon. Friend the Member for Bow and Poplar has given us an opportunity to understand why an extension of time should be allowed for driving instructors.

Section 137 is part of the armoury that was created to ensure that sections 133, 134, 135 and 136 of the Act were strictly observed. Section 133 enables the Secretary of State to make regulations governing the examination of a person's ability to give instruction in the driving of motor cars and to ensure that tests are carried out into the "continued ability and fitness to give such intruction." A panoply of rules has been created to ensure that those who hold themselves out as capable of being driving instructors are competent to do that job. We ensured that those who passed the examinaton should be registered. We took steps to protect the public by stipulating that, in certain circumstances, it would be a criminal offence for an unregistered person to hold himself out as being a licensed instructor.

In requiring, if necessary, the production within five days of the appropriate certificates and licences, we are not bearing down harshly on a forgetful private motorist or a motorist who would suffer inconvenience if called upon to produce certain documents. We are dealing with professionals. Their duty should be to have readily available proof of their professionalism. To permit, for a day longer than necessary, an unqualified instructor to continue to hold himself out as competent is to weaken the protection that is given to the public who could be misled by advertisements or improper use of a badge. We would be allowing an instructor more days in which to give faulty lessons to an unsuspecting learner.

I hope that the Under-Secretary of State for Transport or the hon. Member for Beaconsfield will justify the proposals to extend the time during which documents should be produced by those whose schools should be properly registered. We have taken pains to prevent exploitation. It is therefore difficult to understand why such an amendment has been proposed and why, without any explanation so far, change has been proposed in what has been described as a minor Bill. I regard the legislation as significant. This proposal assaults the principles that were so painstakingly laid down by the House in major legislation. In due course, the Minister will no doubt explain why it is wished to extend the period to seven days. The amendment merely propounds an error that is already in the Bill. I shall need to hear some convincing arguments from the Minister as to why any changes are being smuggled into it.

My hon. Friend the Member for Bow and Poplar has done us a service in a way by opening up an issue that has clearly been masked. The hon. Member for Beaconsfield has said that the Bill has the support of motoring organisations. Is he thereby saying that the AA and RAC, to which he referred in Committee, are in favour of giving more rope to the untutored to damage themselves through the existence of fly-by-night instructors? Perhaps that is what has misled my hon. Friend the Member for Bow and Poplar and prompted him to table an amendment proposing to extend the principle slightly. I hope that the hon. Member for Beaconsfield will comment on the amendment. I am sure that he realises that its implications extend to the principles that he has put forward, and in respect of which we have so far not had any real explanation.

I do not want to delay the House, so I shall turn to amendment No. 15, which deals with the production of driving licences. At first sight it may appear to be almost harmless. My hon. Friend the Member for Bow and Poplar has pointed out, as others have, that it can sometimes be tiresome and complicated to have to visit a police station simply because one has been stopped for some possible peccadillo. However, as has been said, to extend the time, as the amendment proposes, may have more sinister implications. The statistics reveal that there are irresponsible people who drive cars before they have even passed the test. They do not have a driving licence, but they still take to the roads in lethal machines. There are others — as we well know, because they often come before the courts—who are impatient learners and who drive without an accompanying passenger.

Thus, we are not dealing with forgetfulness, but are trying to ensure that unqualified people do not drive on the roads. Those who drive when they are unqualified risk causing damage not only to themselves but to other motorists and pedestrians. We should ensure that we do not give them more rope, as the amendment does, and enable them to continue to drive, after being stopped, not for seven but for 10 days. Far too frequently drivers who have been disqualified for drinking and driving or for dangerous driving continue to drive. Should we give them extra time so that they can continue with their devastation? The figures should give us cause to pause. Before extending the time allowed, we should consider how many people drive without licences. The number is increasing, not diminishing.

In 1974, 58,000 people were brought before the magistrates' courts for driving without a licence. By 1983, the number had risen to 99,000. Furthermore, in 1974, 25,000 people failed to produce licences but by 1983 that figure had risen to 46,000. If we begin to allow extra time,

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as the amendment and the Bill propose, the vigilance that the police can exercise in pulling up someone will be undermined, albeit marginally.

In the light of those statistics, those who support the amendment must decide whether it is reasonable to ask for a further extension of time. It should, in particular, be borne in mind that those who continue to drive after having been pulled up will often be those who have no licence because of a drinking and driving offence or because of their irresponsible anti-social behaviour. Therefore, I urge hon. Members to resist the amendments. They are not as harmless as their supporters may believe.

Amendment No. 22, which deals with insurance and MOT certificates, has most serious implications. The number of cars on the road without MOT certificates is horrendous. We are talking not of tens of thousands, but perhaps of hundreds of thousands. It is quite usual to find that 100,000 cases a year come before the courts. That figure refers merely to those who have been discovered. It appears that those who support the amendment do not take seriously the consequences of a relaxation of the rule that obliges motorists to subject their motor cars to a test and, when requested, to produce an MOT certificate. I am aware of the difficulties that are faced by many motorists, which include the increasing cost of insurance and petrol. These factors lead motorists to believe that they might be able to avoid paying for their car to be tested. Many motorists know that their car will fail the test and that that will mean spending money to get it into proper condition. Is it proposed that we should say, "It does not really matter?" Should we encourage motorists to say, "Hundreds of thousands are getting away with it, why shouldn't I?" Should we allow those who take that view to have extra time on the roads?

It is vital that no car is driven on our roads in a dangerous condition. We should not give the driver of such a car extra time before requiring him to produce documents. Should we dilute the prevention procedure when the consequences could be so serious? We could have tens of thousands of lethal machines on the roads for five more days if we were to accept the amendment. Should we be condoning the widespread view that it is a trivial offence to drive a motor car that does not have an MOT certificate? Surely we should be emphasising the gravity of the anti-social behaviour of those who drive unfit vehicles. Hundreds of thousands of drivers are committing the offence and we should take every step to ensure that the law is enforceable. By extending the time in which it is necessary to produce an MOT certificate to the police, we are, by implication, almost abandoning the attempt to make the law enforceable.

I resist the amendment that seeks to extend greater indulgence to those who may be driving without insurance. The statistics reveal that there are many who regard driving while uninsured as a relatively trivial offence. A little thought should convince anyone of the importance of adequate insurance for drivers and their vehicles. There is a growing view that it does not matter whether one is careless about driving an uninsured motor car. In 1974, about 25,000 motorists were brought before the magistrates' courts for failing to produce an insurance certificate. In 1984, there were 50,000 such offences. In my professional life, I am only too well aware of the undeserved consequences that fall upon those who become the victims of accidents that are caused by uninsured drivers.

11.15 am

It can be pleaded that the Motor Insurers Bureau gives some assistance to those who are injured by uninsured drivers. However, that does not mean that we should agree to the extension which the amendment proposes. The bureau and the association which has been formed by the insurance companies have sought to mitigate the problem tht is caused by those who drive while uninsured and who cause accidents, but the payments that are made are limited.

My hon. Friend the Member for Rother Valley talked about the difficulties which he encountered personally when he came into collision with the vehicle of an uninsured driver and echoed the grievances of thousands of others. In such circumstances, the only remedy is to turn to the Motor Insurers Bureau. If my hon. Friend had done so, he would have received nothing for any damage that his car had suffered. I gather that he suffered no personal injury but his car was damaged and he was left without any remedy. I do not understand why it is suggested that motorists should have extra time in which to drive on our roads while uninsured and to be able to inflict the damage which was endured by my hon. Friend.

I have been personally involved in such an incident. Some criminals caused an accident which led to my car being written off. The majority of motorists probably have third party insurance but fortunately I had comprehensive insurance. If I had had third party insurance, I would have had to bear the cost of buying a new car. I would have had no means of claiming successfully against those responsible for the damage. Having had that experience I do not believe that we should allow some motorists to have more time to indulge in their reckless behaviour. It is not easy to deal with hit-and-run drivers and the difficulties will be even greater if the amendment is accepted.

I note that some of my colleagues are becoming slightly impatient. I hope that they will accept that it is important that no Bill should pass through the House without the House considering the real issues that lie behind it. The Bill before us was given a formal Second Reading and it spent only a short time in Committee.

Amendment No. 30 seeks to amend the Transport Act 1982. Again, it has not been explained why the time limit should be extended. As recently as 1982, Parliament determined nicely the procedures that are designed to stop irresponsible drivers from continuing to drive on our roads when their activities have caused 12 points to be recorded against them. The law allows the police officer who has reasonable belief that a motorist has accumulated 12 disqualifying points to cause him to produce his driving licence and other documents.

Why should we extend the time at all in this respect, let alone in the way that the amendment proposes? Our aim should be to assist police officers. We should not want matters put off so that a motorist with a series of convictions, usually in respect of serious driving offences, can be allowed further time in which to speed round the country causing heaven knows what havoc. As yet no one has explained the amendment. I hope that the Minister will say why such an amendment can be proposed to a principle

which itself seems to be driving a coach and four through all the procedures which the House decided should be followed as recently as 1982.

That concludes my remarks on this group of amendments. I am grateful for the courtesy that the House has extended to me so that I might present cogent reasons why none of the amendments should be accepted.

Mr. Tim Smith: It may be helpful if I intervene now to reply to what has been a useful and constructive debate on this group of amendments.

I want first to thank hon. Members, including the hon. Member for Bow and Poplar (Mr. Mikardo), for their kind words about my Bill. I think that it will be welcomed by millions of motorists, modest though it is.

The hon. Member for Birmingham, Ladywood (Ms. Short) made an important point in this context when she said that the main area of contact between the police and the public arose in road traffic offences. This modest Bill will do a little to improve those relations.

In considering this group of amendments, we need to look at the two principal provisions of the Bill. There is a balance between the two. They are a package, and they cannot be considered in isolation. A good deal was made about the new defence of a reasonable excuse for delay, and the hon. Member for Bow and Poplar said that perhaps we could allow more days. This is a matter of judgment, and one has to take a view about it. However, the production of documents has to be treated as an urgent matter. We should not put into the Bill a number of days which meant that drivers became complacent. If a motorist is unable to produce his traffic documents, it should be regarded as an urgent matter to be dealt with as expeditiously as possible.

I do not think that the suggestion of my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) is practicable. He suggested that the time should be at the discretion of the police officer concerned. We need more certainty in the law than that, and we must have a definite time in the Bill. The only question that arises on these amendments is whether it should be seven days or 10 days.

The hon. Member for Caernarfon (Mr. Wigley) spoke of people taking holidays in his constituency. It should be stressed that people ought to take their documents with them on holiday, especially if they go abroad. However, there is no legal requirement for people to take their documents with them. They should be encouraged to do so. We shall have to see what the attitude of a court would be if someone said, "I am sorry that there was a delay. I was on holiday at the time." The court would want to view that in the light of all the facts.

Mr. Thurnham: I am sure that the Bill will be welcomed by a large majority of drivers, but does not my hon. Friend feel that it will be welcomed also by the criminal element? We have an epidemic of car thefts at present, with twice as many cars being stolen here as in Europe. Will not this provision encourage thieves even further?

Mr. Smith: In my view, that is a good reason for resisting these amendments. The Bill goes far enough as it stands, and I shall recommend the rejection of the amendments. My hon. Friend advances an important reason why they should be rejected.

The hon. Member for Torfaen (Mr. Abse) mentioned the seat belt exemption certificate, and there was some suggestion that there was a possibility of the retrospective granting of such certificates. That is not possible under the law as it stands.

The hon. Member for Torfaen also mentioned driving instructors, and he rightly drew attention to the fact that the Bill did not just deal with the time for the production of a driving licence, insurance certificate or MOT certificate. It also deals with driving instructors, and we are here talking about part of the enforcement arrangements and about professional people. The hon. Gentleman put forward a strong reason why that amendment should be resisted. This is a different group of people, and the only reason why the number of days is being changed is so that we have a consistent arrangement for all kinds of traffic documents.

These amendments should be resisted. The current five-day production period has caused problems in the past, mainly because of the growing number of people who are on the road and away from home for more than five days. Giving them an additional two days in which to produce their documents and thereby increasing the period to seven days seems to me to be quite satisfactory and should overcome the current difficulties.

There is some evidence about this. An ACPO council traffic committee working party recently considered the production of driving documents and specifically considered whether the period for their production should be extended beyond seven days. A survey showed that only 1 per cent. of productions were made within seven to 10 days, and only 2 per cent. after 10 days. Therefore, I do not think that providing a period longer than seven days would greatly increase the level of production. Indeed, it could be counter-productive in that it could encourage delay to a point where production was put off and forgotten altogether. I think that it should continue to be treated as an urgent matter.

For those reasons, I recommend that these amendments should be rejected.

Question put, That the amendment be made:—

The House divided: Ayes 50, Noes 108.

Division No. 196] **[11.25 am**

AYES

Adams, Allen *(Paisley N)*
Bray, Dr Jeremy
Brown, Hugh D. *(Provan)*
Caborn, Richard
Campbell-Savours, Dale
Clark, Dr David *(S Shields)*
Clay, Robert
Clwyd, Mrs Ann
Cohen, Harry
Corbyn, Jeremy
Cowans, Harry
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Dixon, Donald
Dobson, Frank
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Fields, T. *(L'pool Broad Gn)*
Freeson, Rt Hon Reginald
Hamilton, James *(M'well N)*
Harrison, Rt Hon Walter
Heffer, Eric S.
Holland, Stuart *(Vauxhall)*
Hughes, Robert *(Aberdeen N)*
Leighton, Ronald
McGuire, Michael
McNamara, Kevin
McWilliam, John
Marshall, David *(Shettleston)*
Maynard, Miss Joan
Michie, William
Mikardo, Ian
Mitchell, Austin *(G't Grimsby)*
Oakes, Rt Hon Gordon
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Richardson, Ms Jo
Rowlands, Ted
Sedgemore, Brian
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Soley, Clive
Stott, Roger
Thompson, J. *(Wansbeck)*
Woodall, Alec

Tellers for the Ayes:
Mr. Dafydd Wigley and
Mr. Willie W. Hamilton.

NOES

Abse, Leo
Alison, Rt Hon Michael
Alton, David
Banks, Tony *(Newham NW)*
Barron, Kevin
Beggs, Roy
Beith, A. J.
Bendall, Vivian
Benyon, William
Best, Keith
Blackburn, John
Bonsor, Sir Nicholas
Bottomley, Mrs Virginia
Braine, Rt Hon Sir Bernard
Bruce, Malcolm
Bruinvels, Peter
Carlile, Alexander *(Montg'y)*
Cash, William
Chapman, Sydney
Clark, Hon A. *(Plym'th S'n)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clarke, Thomas
Corrie, John
Dicks, Terry
Douglas-Hamilton, Lord J.
Dunn, Robert
Foot, Rt Hon Michael
Forsythe, Clifford *(S Antrim)*
Fox, Marcus
Fraser, Peter *(Angus East)*
Galley, Roy
Garel-Jones, Tristan
Grant, Sir Anthony
Greenway, Harry
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hancock, Mr. Michael
Hayes, J.
Hayhoe, Barney
Henderson, Barry
Hirst, Michael
Home Robertson, John
Howard, Michael
Hubbard-Miles, Peter
Hunter, Andrew
Jackson, Robert
Jenkins, Rt Hon Roy *(Hillh'd)*
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Kershaw, Sir Anthony
Key, Robert
Knight, Mrs Jill *(Edgbaston)*
Lambie, David
Lang, Ian
Lennox-Boyd, Hon Mark
Lester, Jim
Lloyd, Peter, *(Fareham)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
Madden, Max
Maginnis, Ken
Major, John
Malone, Gerald
Mawhinney, Dr Brian
Merchant, Piers
Miller, Dr M. S. *(E Kilbride)*
Mills, Sir Peter *(West Devon)*
Moynihan, Hon C.
Neubert, Michael
Nicholls, Patrick
Nicholson, J.
Paisley, Rev Ian
Parris, Matthew
Patten, Christopher *(Bath)*
Pawsey, James
Powell, Rt Hon J. E. *(S Down)*
Robinson, P. *(Belfast E)*
Roe, Mrs Marion
Rossi, Sir Hugh
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Silvester, Fred
Sims, Roger
Smith, Sir Dudley *(Warwick)*
Smyth, Rev W. M. *(Belfast S)*
Spencer, Derek
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Rt Hon D. *(W Isles)*
Strang, Gavin
Taylor, Rt Hon John David
Thompson, Donald *(Calder V)*
Thorne, Neil *(Ilford S)*
Townsend, Cyril D. *(B'heath)*
Wallace, James
Waller, Gary
Watts, John
Wilson, Gordon
Winterton, Mrs Ann
Wood, Timothy

Tellers for the Noes:
Mr. Tim Smith and
Mr. Peter Thurnham.

Question accordingly negatived.

Mr. Tony Banks (Newham, North-West): I beg to move amendment No. 3, in page 1, line 15, leave out paragraph *(b)*.

Mr. Deputy Speaker: With this we shall discuss the following amendments:

No. 12, in page 2, line 30, leave out paragraph *(c)*.

No. 17, in page 3, line 10, leave out paragraph *(b)*.

No. 24, in page 3, line 30, leave out paragraph *(b)*.

No. 26, in page 3, line 32, leave out paragraph *(c)*.

11.30 am

Mr. Banks : I cannot possibly hope to follow the eloquence or the clarity of my hon. Friend the Member for Torfaen (Mr. Abse). However, I shall discuss these amendments together rather than follow his example and discuss them individually. All the amendments revolve around the same principle.

I am grateful for the wisdom of Mr. Speaker in not selecting another of my amendments. For a reason that I have yet to discover, what was meant to be four days ended up as 14 days——

Mr. Deputy Speaker: Order. The hon. Gentleman must not discuss an amendment that has not been selected.

Mr. Banks: I fully understand that, Mr. Deputy Speaker. However, I am offering an explanation to the House because if the amendment that was not selected had been selected it would have appeared that I was speaking from two conflicting positions, which I am not.

The debate on the first series of amendments was useful because the Second Reading went through on the nod and the Committee stage was completed in 10 minutes. My hon. Friend the Member for Torfaen demonstrated that there are a number of serious objections to the Bill. In my view, too much leniency is already shown to motorists. I should have preferred a restriction to an extension in the number of days within which documents must be produced, hence the amendments that stand in my name.

My objective in tabling them has been to remove the permissive nature of the Bill in regard to the production of documents. I speak not as one who is anti-motorist—because I am a reluctant driver—and I am certainly not anti-police, although either interpretation could be put on my remarks.

The Bill seems to have the general intention of reducing the number of offences. It is said that by extending the five-day deadline to seven days fewer motorists would offend in that respect. That is an illogical approach to the problem, although it is typical of the attitude of the police to motoring law.

Another example of that attitude is the recommendation to increase the motorway speed limit from 70 to 80 mph. It is said that because the limit is not being enforced, at a stroke many speeding offences would no longer be offences. There are many other examples, such as calls for changes in the law applying to bus lanes and parking.

The objection to the five-day period for the production of documents is based not on principle but on practicability, and that is not the basis on which law should be predicated in relation to its enforcement. If we in Parliament legislate the ends, we should be prepared to legislate the means. In other words, if the police find that they cannot satisfactorily enforce the laws that we make, we should consider in some instances strengthening those laws, rather than making them more permissive.

It is said that people sometimes have difficulty producing their motoring documents because those documents are being processed, perhaps at the Swansea centre. We should be finding ways of speeding up the processes at Swansea rather than changing the law to accommodate the delays that people say they are experiencing.

The police are sometimes highly selective in their choice of laws that they claim are enforceable. For example, when they are concerned with the possession of cannabis or dealing with certain forms of obstruction, such as occurred during the miners' strike, the idea of illegal behaviour seems to engender a stronger desire on their part to enforce more formally the existing legislation.

In other words, the police are determining their own priorities in law enforcement. As a result, Parliament is asked to weaken the application of those laws that the police have chosen not to enforce and to strengthen those that they wish to enforce. I find that totally unacceptable. The most bizarre case of which I can think occurred with the Police and Criminal Evidence Act 1984, when the House was asked, and finally agreed, to legalise previously illegal actions by the police. This course of action represents a threat to civil liberties and the concept of the sovereignty of Parliament and should be resisted vigorously by hon. Members.

That attitude is highlighted in this instance by the complex nature of the police procedure in dealing with the production of documents. Until 1983, should a motorist not be carrying his or her driving licence when stopped, a complex form had to be sent from the police station making the request to the police station at which the motorist intended to present the documents within five days, and generally that would be the police station most convenient to the motorist concerned. Should the motorist not produce the necessary documentation within the set period, a further complex procedure would initiate activity by the police to follow up the case.

It is reasonable to argue that a more refined and simplified police procedure within the present time limit should be established. However, the procedures followed by the various forces are not standard. That may cause, for example, the Metropolitan police certain problems. I gather from comments made by the hon. Member for Beaconsfield (Mr. Smith) in Committee that the City of London adopted what one might call an unofficial attitude towards the non-presentation of documents.

Clearly, consistency is required, with the need to treat sympathetically those with genuine reasons for not producing their documentation within the specified period. Such changes must be devised within the concept of law, because law that is totally inflexible is often bad law. However, this measure is not the best vehicle for dealing either with the problem of consistency or of flexibility.

My amendments draw attention to several problems with the Bill. One is the large-scale lack of follow-up of existing transgressions of the law. That is due, in part, to the complexity of the follow-up procedures, to which I referred. I do not see how, by increasing the documentation deadline, we shall improve the follow-up procedure. In any event, the extension of time will lead to a range of problems in other areas.

Accident reporting is a good example of that. Motoring accidents are recorded on what is called a stats. 19 form. Those forms represent the basis of national accident recording and are administered by the police. However, there is evidence of substantial under-recording, particularly of accidents involving cyclists. A study by Bull and Roberts in 1973 found that 76 per cent. of cycling casualties in hospital had no stats. 19 record. That is why I say that it is essential to have a greater degree of follow-up of transgressions by those who do not produce their documents within the specified period.

In a study by the Transport and Road Research Laboratory, Downing confirmed, from the details of accidents at Oxford hospitals, the figures produced by Bull and Roberts. It was postulated that longer delays between the presentation of documents and the initial request for them produced greater errors in recording and that if the details of cycling accidents were properly recorded, the pressure on Government to support proper facilities for cyclists in cities would undoubtedly increase. The Greater London council recognised that by introducing cycle lanes and——

Mr. Deputy Speaker: Order. I realise that the hon. Member is giving the background to the amendment, but he will agree that it is a quite narrow amendment, and I hope that he will now direct his remarks to why clause 1(1)*(b)* should be deleted from the Bill.

Mr. Banks: I have felt it necessary to give that detail, Mr. Deputy Speaker, because a number of amendments are being discussed together, as they should, because they apply to the same point.

The increased time for the presentation of documents would give increased possibilities for personation, a point to which my hon. Friend the Member for Torfaen referred. Personation can occur, particularly if the documents are presented at a police station different from the one at which the request was originally issued. In that context, a case could be made for it to be compulsory to carry one's driving licence, or for all relevant documentation to be carried by the person in charge of the vehicle. Some interesting, if macabre, suggestions have been made by Conservative Members about the compulsory registration of certain vehicle licence numbers.

Many people carry their documentation with them, but many others, and I am one, do not get into the car with all the documents to hand because there is an increasing incidence of car theft. It is extraordinarily inconvenient to lose one's car and all the documentation that goes with it. Many people do not carry the documentation with them for reasons of security. We should, therefore, find a better way of registering documentation.

One of the ideas that could be considered would be for all vehicles to carry a composite road tax licence and insurance disc, which would be readily available for the police to identify. My amendments seek to remove the wholly permissive nature of the Bill. If delay is written into the Bill, the possibility of personation and fraud is greater. I am positive that the hon. Member for Beaconsfield does not want that.

Mr. Tim Smith: The hon. Gentleman says that his amendments will reduce the permissive nature of the Bill. I have been listening to him for some time and I do not understand what he is trying to achieve. What will be the precise effect of amendment No. 3 if the House accepts it?

Mr. Banks: My point is that the Bill not only sets out to increase the number of days within which a motorist can produce documents, but in some circumstances—this is what my amendments seek to remove—to make the time limit almost non-existent. That is not right. I understand the need for flexibility, but this catch-all way is not the way to do it. It seriously weakens the job of the police, and allows far more permissiveness and gives far more leniency to motorists. I object to that, which is why I tabled the amendments.

My main objections to the Bill are based on an objection to the existing leniency towards motorists who break the law. I am not anti-motorist, but I am a reluctant motorist. Motoring offences are dealt with more leniently by the courts than those caused by someone not driving a car. If, for example, one uses a car as a weapon and drives directly at a person—there are many cases on record of

[Mr. Banks]

that—one is treated differently from a person who takes a club from his pocket and hits another person in the street. The law treats motoring offences differently from non-motoring offences.

Dr. M. S. Miller: I follow what my hon. Friend says, but I disagree with him. Motorists are not treated differently or better than anyone else. Is my hon. Friend aware that seven days does not mean seven days because there must be an intervening Saturday and Sunday? It means five days. The motorist will be given sufficient time to produce the necessary documents only if the period is increased, not reduced.

Mr. Deputy Speaker: Order. That intervention harks back to the amendment which we have already discussed. I hope that the hon. Member for Newham, North-West (Mr. Banks) will not do that.

Mr. Banks: I understand that, although the arguments are common to both sets of amendments. Although I must obey your instructions, Mr. Deputy Speaker, the amendments have some points in common and, therefore, it is difficult not to wander between both groups. I direct my hon. Friend to a letter from Dr. Trevor Smith which appeared in the *Glasgow Herald* on 14 June. He shows clearly that the law treats motoring offences differently. He compared the examples of a man who was fined £200 for kicking two cars, and a driver who knocked down an eight-year-old boy and failed to stop and who was fined a mere £150. That example of the way in which motorists are treated much too leniently is seen regularly in the courts.

The Bill seeks to make life easier for motorists and, therefore, I oppose the Bill's objective, and ask the House to support my amendments.

Mr. Tim Smith: As I said earlier, the Bill has two objects, and the previous debate dealt with the first, which is to extend the number of days within which a motorist must produce his documents to a police station. The second is to introduce a new defence — a reasonable excuse — for not producing the documents within that time. The amendments of the hon. Member for Newham, North-West (Mr. Banks) seeks to remove that defence wherever it appears in the Bill. His objective is, therefore, to remove half of the Bill. It would not be going too far to describe his amendments as wrecking amendments.

I wish to address his argument because there is a good reason why the House should accept the Bill as it stands. In the past justice has not always been done. Driving documents have been stuck at Swansea because of industrial action or some other reason and, consequently, the driver has not been able to produce them at a police station within the five days presently allowed, and he has been convicted because that is an absolute offence. It is entirely right that there should be a new defence of reasonable excuse.

As I said in Committee, I am supported by the Royal Automobile Club. It told me of a recent case in which it had been active in assisting a motorist who had been defending himself. Unfortunately, even recently, he was convicted because it is an absolute offence. Because injustice has been done in the past, the House should reject the amendments.

Mr. Chris Smith: I rise briefly to oppose my hon. Friend the Member for Newham, North-West (Mr. Banks), and to support the hon. Member for Beaconsfield (Mr. Smith) in seeking to retain the Bill in its original form.

My hon. Friend seeks to remove the safety valve of reasonable practicality, which the hon. Gentleman has sensibly written into the Bill. I accept that there are difficulties about reasonable practicalities. There are niceties of interpretation, on which the police and ultimately the courts must make judgments. There are likely to be varying decisions from varying courts and varying police officers. However, a safety valve is undoubtedly needed. It is needed even more because the previous set of amendments was rejected. They might have removed some of the necessity for it. However, with the period standing at seven days, and for all sorts of reasons, a safety valve is needed.

There has traditionally been discretion available to police officers in the interpretation of particular acts of citizens, which may be regarded as being in breach of the law. That was a reason for the introduction of traffic wardens. Before they existed there was a degree of discretion available to police officers in operating the law on traffic offences. Understandably, there was a great deal of complaint from the public that some people were being treated with discretion and that others were not. For that reason, traffic offences were removed from the province of the police, and traffic wardens were given the job. There is no discretion available to them. They must implement the law and the letter of the law. But police officers can temper the strict interpretation of the law with the basic principles of justice. I have criticised the way in which the police use that discretion at times, but it is traditional, and the hon. Member for Beaconfield is right to ensure that there is a discretion in relation to the production of documents.

For all the reasons that were advanced in the lengthy debate on the first set of amendments, and because of the difficulties that people may have in producing documents within a strict seven-day period — they may be on holiday, it may be a holiday period or their documents may be in the post — it is only reasonable and fair that a safety valve is available. The provision of reasonable practicality, insufficient and difficult of interpretation though it may be, is necessary and I congratulate the hon. Member for Beaconsfield on inserting it in the Bill.

12 noon

Mr. Alfred Dubs (Battersea): I, too, oppose the amendments of my hon. Friend the Member for Newham, North-West (Mr. Banks). I commend the hon. Member for Beaconsfield (Mr. Smith) for producing a Bill that improves the law.

Hon. Members need not always speak from experience, but it sometimes helps to give authenticity and weight to the arguments. Discretion is important, because often the motorist who is obliged to produce his documents is completely innocent. My hon. Friend the Member for Newham, North-West suggested that we are talking about motorists who have committed offences and who are therefore obliged to produce documents. He said that no discretion should be applied to them. My argument is different, because often completely innocent people are put in that position. Therefore, the discretion contained in the Bill is reasonable and fair.

Twice during last year I had to produce documents at a police station. On the first occasion, I was stationary at traffic lights when I was hit by another motorist who then drove off. I reported the accident at the police station, which I am obliged by law to do, and I was asked to produce documents. I returned later to produce the documents. Indeed, I had to produce another one because I had misunderstood what the police officer said. On each occasion I was driving home from a general management committee meeting.

On the second occasion, I was hit while moving by another motorist, who also drove away. I managed to catch him, and told him that it was usual to stop after an accident. At that point, the police arrived. They breathalysed him and said that they would also have to breathalyse me. He was arrested and disappeared from the scene. The police officer said that I had no alcohol in my system, and then we got to talking about documents, which I did not have with me. Again, I was asked to produce them at the police station, which I did. But I found it extremly difficult to do so in the five-day period, because we were working late in the House and it was difficult to get the documents together. I did it, but I had to go to the police station at about 3 am after a late-night sitting in the House. I am not pleading for special exemption for Members of Parliament, but other people will discover that their personal circumstances will be helped by the element of discretion.

Another argument for discretion is that it takes a long time for one's documents to be examined at the police station and for the officer to fill in the necessary forms. It is not a matter of having five minutes to spare and popping in to the police station. The officer must fill in complicated and detailed forms. Following the second incident, I wrote to the police saying that the forms should be rationalised because it was ridiculous to take 45 minutes of a police officer's time and the citizen's time to deal with the requirements of the legislation to produce documents. That is how long I took. If one is not first in the queue at the police station, it can take even longer.

If the House rejects the amendments, it will be in a better position to safeguard the position of ordinary motorists, many of whom are innocent.

Mr. Tony Banks: I understand my hon. Friend's arguments, but surely they are arguments for simplifying procedures and forms and finding other ways to deal with the problems associated with the presentation of documents other than extending the time period, which would allow the abuses that I and other hon. Members have mentioned.

Mr. Dubs: We are not talking about extending the period, except in the sense of giving the police discretion if the individual can show that he needs it. Of course, I favour simplifying the procedure, but it is bound to remain complex even if we simplified it as much as we could.

My main argument is that, in many cases, the motorist is entirely innocent of any offence. Therefore, it is unreasonable to remove the discretion that he will have under the Bill, thereby making an innocent person into someone who is guilty of an offence. I hope that the House will reject the amendments and support the Bill in its original form.

Mr. Bob Clay (Sunderland, North): I oppose the amendments of my hon. Friend the Member for Newham, North-West (Mr. Banks), because I have a special interest in bus drivers, who will welcome this useful Bill from the hon. Member for Beaconsfield (Mr. Smith), especially the small element of discretion that it will allow.

Although most of us need not renew our driving licences for a long time, bus drivers must renew their PSV licences every five years. When they do so, they must send to the traffic commissioners their ordinary driving licences, and it often takes the traffic commissioners a long time to process them. Therefore, for a considerable period—it can range from a week to as many as 28 days—bus drivers will not have their ordinary driving licences.

Bus drivers, especially those who work in the inner cities, are often involved, as innocent parties, in motoring incidents and offences. Since they spend seven, eight or even more hours a day driving, by definition they spend more time on the roads than the average motorist, and consequently there is more likelihood of other vehicles running into them. In some cases, the police will require the bus driver to produce his documents. If the incident happens while the driver's licence is with the traffic commissioners, he can be in considerable difficulty. As the law stands, he is committing an offence by not producing the documents within the prescribed period. Many similar arguments could be made in favour of HGV licence holders.

We must also remember that many coach drivers with PSV licences travel abroad or in Britain for long periods. They will be unable to produce their documents in time, because they will not return in time from the traffic commissioners. Some friends of mine in the coach industry had to tell their employers that they were unable to take a coach party away for a long period because they had to wait until their licences came back from the traffic commissioners before they could produce them to the police. They, too, had been involved as innocent parties in motoring incidents. Dire consequences can result from the lack of discretion.

Those of us involved in the dreadful Transport Bill know that the role of the traffic commissioners is to be changed. Instead of three traffic commissioners for an area there will be only one. They will be given many onerous and complicated duties.

Bus drivers have to send their ordinary licence to the traffic commissioners. Sometimes its return is delayed and it cannot therefore be produced to the police. The traffic commissioners will take even longer to process PSV licences because of the onerous tasks that the House is imposing upon them. Without the necessary staff, the problems will become even more serious for bus drivers.

One could argue the same case for many other professional drivers. Many hundreds of thousands of workers earn their living by driving vehicles. The amendment would remove from the Bill a provision which many professional drivers welcome. I hope that my hon. Friend will withdraw his amendment.

Mr. Tony Banks: I am sad to see that clearly I do not have the sympathy of the House. I therefore beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Mikardo: I beg to move amendment No. 16, in page 3, line 6 after 'person', insert

'or by another person authorised by him so to do'.

Mr. Deputy Speaker: With this, it will be convenient to discuss amendment No. 18, in page 3, line 10 after ' person', insert

'or by another person authorised by him so to do'.

Mr. Mikardo: This will be the shortest speech of the day because I feel that the House is in a mood to come to a conclusion as soon as possible. My speech can be short because the amendment covers a narrow and simple matter which requires little explanation and because the amendment is so manifestly meritorious that I should be surprised if the hon. Member for Beaconsfield (Mr. Smith) did not urge the House to accept it.

Earlier I mentioned the chap from Newcastle upon Tyne going on a business trip. He arrives at Heathrow to catch a plane to Dusseldorf where he has a business date and is hoping to do some export trade. He parks his car in the wrong place and is asked to produce his papers within seven days. The chap expects to go on from Dusseldorf to Vienna and Genoa on business and will not be back within seven days.

I want it to be possible for him to ring his wife and say, "Darling, I left my driving licence and insurance certificate in the suit I was wearing yesterday. Will you be a dear, and take them to the local cop shop?" Surely that is simple and easy. What can be against it? It provides what an hon. Member called in another context earlier "a certain element of flexibility".

Mr. Barron: I might be stopped in London and I might not even have a driving licence. I could tell the police that my name was Colin Barron—my brother's name—and he could go to the local police station at Maltby within seven days and produce his licence pretending that it was mine. That would involve me and my brother in deception and lies. The amendment would increase the possibility of such action.

Mr. Mikardo: One does not draft laws expecting people to break them and take advantage of them. My hon. Friend could be driving round London with his brother's driving licence in his pocket. His argument is fanciful.

12.15 pm

Mr. Tim Smith: The hon. Member for Bow and Poplar (Mr. Mikardo) is, as always, persuasive, but on balance I think that his proposition could lead to more abuse, although I agree that it would be convenient in some cases. There is no argument for changing the procedures as he proposes.

When a person is required to produce his licence, the onus of doing so should fall upon him alone. That is the only satisfactory means of ensuring that the obligation is properly discharged.

We must examine the proposal in the context of the reliefs already provided in the Bill for the motorist. His life will be made considerably easier by the extension from five to seven days and by the reasonable excuse provision. I invite the House to reject the amendment.

Mr. Mikardo: It would be churlish to get into a confrontation at this stage with the hon. Member for Beaconsfield. Although I think it is meritorious, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Bill reported, without amendment.

Motion made, and Question proposed, That the Bill be now read the Third time.

12.16 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Michael Spicer): We have had remarkably full debates on a modest, although desirable, measure.

Mr. Mikardo: On a point of order, Mr. Deputy Speaker. I think that I am right in believing that the motion that the Bill be given a Third Reading has not been put.

Mr. Deputy Speaker: It has been put.

Hon. Members: When?

Mr. Abse: Further to that point of order, Mr. Deputy Speaker. Are we debating Third Reading?

Mr. Deputy Speaker: Yes. I am sorry if I went a little too fast for the House. We are now debating the Third Reading.

Mr. Spicer: The deep, and no doubt genuine, interest in the Bill by hon. Members on both sides has been impressive. My hon. Friend the Member for Beaconsfield (Mr. Smith) has been congratulated from all sides on introducing the Bill. The House has other business to consider and I shall keep my remarks brief.

The Bill is designed to remove some rigidity from the law relating to the production of driving documents to the police. The inflexibility has caused problems. For instance, courts have sometimes had no option but to convict for failure to produce a document when it was unavailable for reasons outside the defendant's control. An example was given by the hon. Member for Newham, North-West (Mr. Banks) who explained how driving licences were stuck at Swansea, not necessarily because of inefficiency but because of industrial action such as that in 1981.

The Bill will make two changes to existing procedure. First, it will extend from five to seven days the period in which the driving licence and other driving documents must normally be produced at a police station. The main reason for that is that a growing number of people on the roads are away from home for more than five days. We have discussed whether the time limit should be extended, but there seems to be reasonable evidence to suggest that an extension to, say, 10 days would affect only a few people.

The second reason is to provide a defence for people who are unable to produce one or more of the documents within seven days, provided that they do so as soon as reasonably practicable or—where it is not reasonably practicable — before proceedings are commenced in court. The words "reasonably practicable" are frequently used in legislation.

All that is achieved by making minor changes in the relevant provisions of the Road Traffic Act 1972 and the Transport Act 1982. I believe that the Bill offers a fairer deal to the motoring public, and hon. Members on both sides of the House have agreed with that view. I join in the congratulations heaped on my hon. Friend the Member for Beaconsfield, and I commend the Bill to the House.

12.20 pm

Mr. Roger Stott (Wigan): I join other hon. Members in congratulating the hon. Member for Beaconsfield (Mr. Smith) on the Bill.

Many hon. Members have said that the Bill is a small but important measure. The House wishes to ensure that

proper documentation is produced, but the Bill removes what has generally been acknowledged to be an unnecessary burden on the motorist. Therefore, I ask my hon. Friends give it a fair wind.

12.21 pm

Mr. Abse: I have two major reservations about the Bill. First, as I said earlier, I question whether the minor inconveniences that the Bill seeks to remedy are so vexatious to the public that we are justified in passing a measure which may weaken our capacity for law enforcement.

My second reservation is whether the Minister and the sponsors of the Bill are correct in their belief that existing circumstances demand that we pass a Bill to save the motoring public from marginal inconveniences.

During the debates on the amendments, I explained my worry about the time limit for the production of documents being extended beyond the seven days proposed in the Bill. I concede that extending the limit from five days to seven days does not create so dramatically the hazards that the amendments would have prompted, but any extension of the time limit will weaken the capacity of the police to enforce laws that were designed to protect the public from the dangers caused by irresponsible motorists.

I do not wish to go into excessive detail about the dangers posed by any extension of the time limit. However, out of courtesy to hon. Members who have joined us since we debated the amendments, I ought to categorise the dangers, so that the House will be reminded of the risks of yielding to the pleas of the well-intentioned sponsors of the Bill.

It would have been less necessary for me to take this course if I had received a response from the Minister or from the hon. Member for Beaconsfield (Mr. Smith) seeking to alleviate some of the anxieties that I expressed in the debates on the amendments. However, even on the important question of allowing further indulgence to those who claimed to be driving instructors, the Minister made no comment.

If the Bill is given a Third Reading, we must acknowledge that we shall be giving two extra days to drivers before police inquiries may begin. Drivers may have been stopped as a result of an incident and be driving without a licence because they have never passed a test. Those unqualified, untested drivers will have an extra two days to create havoc on our roads.

Secondly, we shall be giving two extra days of driving, without inquiries being started, to drivers who are occasioning appalling dangers to fellow drivers and to pedestrians by driving cars that are unfit to be driven and would not pass the MOT test.

Thirdly, we shall be giving two extra days during which irresponsible drivers can blithely continue to drive without insurance and inflict death or injury on others, leaving the relatives of those who have suffered fatal injuries or maiming, the tortuous, sometimes labyrinthine, task of seeking to recover monetary damages for their suffering.

Fourthly, we should be mindful that we are giving car thieves two extra days before inquiries are likely to be initiated by the police. Those days could be vital, as thieves would have an opportunity to disguise and alter stolen cars and to whisk them to the continent, as happens all too frequently.

Those are not minor considerations. They need to be pondered by the House and weighed against the advantages that have been adumbrated so eloquently by the sponsors of the Bill. It was to guard against the dangers that prompted the House in the past to insist upon the rapid production of documents. The sponsors acknowledge that the dangers are real. If they believed that all the dangers that I am categorising were frivolous, they would have come to us and asked us to abolish the requirement to produce documents within five days.

One of the most extraordinary features of the debate is that we have been given no explanation of how and why the House came to the conclusion that documents should be produced and that there should be a time limit. No one has explained the origin of that. No one has suggested that we should abolish the requirement. It is acknowledged that the requirements are part of the law enforcement armoury.

Mr. Tim Smith *indicated assent.*

Mr. Abse: Once one acknowledges that, as the hon. Member for Beaconsfield, who is nodding his head, plainly does, one should acknowledge the fact that by extending the time limit we are weakening the capacity for law enforcement.

The Minister has not said why there is an overriding need to extend the period. I understood that we were all, and not least the Government, supposed to be preoccupied with the problems of law and order. There has rarely been a moment when it was less appropriate to come forward, as the Bill does, with the suggestion that we should to some degree subvert the capacity of the police to enforce the law with regard to major offences.

The increase in car theft has been mentioned. New techniques have become available to the thieves. Anyone who has investigated the matter is aware that they can take stolen cars out of the country with ease. Someone taking a left-hand drive car to the Continent might place the Customs and Excise on inquiry. Cars, in particular those regarded as highly desirable such as Rolls-Royces, are frequently stolen and taken out of the country. That has been well documented in *The Sunday Times* and elsewhere. Left-hand drive cars are switched to right-hand drive. That takes time.

I do not understand why we are relaxing the regulations just to meet the convenience, which I acknowledge, of motorists. When considering allowing extra time for production of documents, we should pause and ask ourselves whether we have struck the right balance between the subversion of our capacity to enforce our laws and the inconvenience which undoubtedly exists for the law-abiding motorist. That is one of my major reservations.

I seriously doubt whether we require the Bill in the light of the present state of the law and the way that it is enforced. Nothing could be worse than cluttering up our already overcrowded statute book with unnecessary or overburdening legislation. Neither the synoptic comments of the Minister nor the reply of the Bill's promoter have convinced me that we need the Bill.

I was a member of the Standing Committee which so briefly considered the Bill. I have read those proceedings with care and noted that the promoter relied heavily on a case which was decided on 17 January. He said that the case was a dramatic illustration of the difficulties that arise under present legislation. Although the decision was in the High Court, it was not given by the Court of Appeal or the House of Lords. I nevertheless concede that the ruling is

[Mr. Abse]

significant. The House has not had the advantage, as did the Committee—even briefly—of considering the case on which the promoter founded his argument, nor has it had the advantage of hearing the details that he gave.

I do not want to reprove the promoter or suggest that his extrapolation, which I might correctly have gleaned from reading what was said in Committee was supplied to him by a motoring organisation, suppressed what I consider to be one of the main features of the judgment which could lead us to a conclusion about whether we need the Bill in its present form.

I shall follow the example of the promoter, who read from the case. I shall read those parts of the case which will enable the House to understand my doubts. Perhaps I might be permitted to quote the judge's summary. He said:

"This is the appeal of David Sparks by way of case stated by justices in the City of London in respect of their jurisdiction as a Magistrates' court sitting at the Guild of Justice Room on Monday 14.

The information had been laid by a woman police officer alleging that the appellant . . . had been a person whom a constable had reasonable cause to believe to have committed an offence in relation to the use of a motor vehicle on a road . . . and on being required by a constable to produce for examination his licence to drive a motor vehicle failed to do so, contrary to section 161 of the Road Traffic Act.

The case was heard before the justices on a plea of not guilty and the evidence which they found proved or admitted was as follows: that the police officer had had reasonable grounds for believing the appellant had committed an offence in relation to the use of the vehicle . . . She required the appellant to produce for examination his driving licence. He did not produce it on that day. He being unable to produce the licence, the officer issued him with a form which required production of the licence within five days. The reason why he did not produce it was that it was in the possession of the Driver and Vehicle Licensing Centre at Swansea, having been sent there by another court after being endorsed with details of the conviction by that other court."

The hon. Member for Beaconsfield cited that case because of the persuasive argument that, if a person could be put at such risk in those circumstances, the legislature should be called to remedy what might appear to be an injustice.

The judge continued:

"It was submitted by the counsel for the appellant that it would be unconscionable for them to convict the appellant when no culpability attached to his actions."

The justices took the view that the terms of the section were specific and unambiguous and that the offence created by that section was an absolute offence.

The judge stated:

"The case arose in circumstances which were unfortunate in this regard. Prior to the establishment of the Driver and Vehicle Licensing Centre at Swansea there had been no problems of the kind that had arisen in this case. However, since the establishment of that body, it seems that there have been a number of cases in which persons have been asked to produce their licences and have found themselves in the same position as the appellant in this case. Accordingly"—

I draw the attention of hon. Members to this point, because it concerns my query whether we need the Bill—

"the Metropolitan Police by October 1982, which was the date mentioned in the information, had formed an unofficial policy not to prosecute in any case in which a licence was unavailable because it was in the custody of the authority at Swansea."

Even more relevantly, the judge went on to say—obviously with full knowledge—that the policy not to prosecute

"became official on 9 May 1983."

The judge said that he had been told

"that there is a private Member's Bill presently before the House of Commons which seeks to remedy by way of statute the situation in which an absolute offence is committed by someone in the appellant's situation."

Mr. Tony Banks: Will my hon. Friend give way?

Mr. Abse: Then comes the rub. The judge said:

"It was unfortunate that the officer in charge of this case was not aware of the unofficial policy in operation at the time."

Mr. Banks: Will my hon. Friend give way?

Mr. Abse: I give way.

Mr. Banks: May I ask my hon. Friend to go back slightly? Was this unofficial practice operated by the Metropolitan police, as my hon. Friend said, or by the City of London police? My information is that it was operated by the City of London police.

Mr. Abse: I am sorry that my preoccupation in reading this extraordinarily interesting and detailed judgment or my diminished hearing, which comes with age, prevented me from knowing that my hon. Friend was seeking to intervene.

I cannot give a categorical reply to that query, but I know how carefully judges choose their words and that some evidence must have been given. I do not have a transcript of all the proceedings—I have a transcript only of the judgment—but I am sure that the judge would have been scrupulous and would have been unlikely to make an error in saying that it was the policy of the Metropolitan police. I may not have assuaged all of my hon. Friend's concerns, but I think that we can proceed on the assumption that the Metropolitan police laid down this unofficial policy.

I come to the last part that I shall read from the judgment, which contains the punch line. The judge said:

"It was unfortunate that the officer in charge of this case was not aware of the unofficial policy in operation at the time. Accordingly, this case, as counsel for the respondent put it, slipped through the net and this appellant was prosecuted when it would have been more appropriate if he had not been so prosecuted . . . it would seem that the chances of a case like this recurring, whatever happens to the Bill which is at present going through Parliament, are remote".

Those chances are not only remote but clearly non-existent. After the furore that occurred because a young woman police officer was unaware of the unofficial policy at that time, would any police officer allow proceedings to move forward again? Clearly not.

I am sure that the hon. Member for Beaconsfield did not intend to mislead the Committee or the House, but if he had had the opportunity to examine the whole of that case he would have realised that it shows that the legislation is not required. I do not believe in trying to legislate for something that has fallen into desuetude. What is the purpose of that? There is enough legislation on the statute book without the misery of including legislation of which we have little need.

But we are being asked to accept a Bill that extends the period to seven days to cover a contingency which is, in many respects, non-existent. As the judge has said:

"The chances of a case like this recurring, whatever happens to the Bill which is at present going through Parliament, are remote".

In Committee, the hon. Member for Beaconsfield drew conclusions from the judgment that were clearly incorrect. He allowed the enthusiasm that he has displayed for the benefit of the House today to lead him unwittingly to make a spurious assessment of the decision. I can well

understand that in the light of the judgment he might well have felt that a Bill was needed containing clauses—as the Bill does—providing a defence for those unable to produce the necessary documentation within the statutory period, providing that they did so as soon as reasonably practicable after that period. But he misled himself when he affirmed in Committee that the case confirmed the need for legislation extending the period from five to seven days. It does nothing of the kind.

The defence of reasonable practicality would be quite sufficient and would enable us to avoid a falling into the trap of passing legislation which would be welcomed by law-abiding citizens but which would be even more warmly applauded by all those who drive motor cars without driving licences because they have been suspended, by those who jeopardise others by driving faulty cars and by those who, to the serious detriment of others, do not take out motor car insurance policies.

We have heard little today about the reasonable practicality clauses, but the argument that they will meet a possible need is more convincing than that which is advanced in support of the first leg of the Bill. It is unfortunate that the clauses have not been debated, despite the considerable time which we have devoted to the Bill so far.

In the case to which I have referred, the judge commented on the narrow circumstances — there had been a delay on the part of the DVLC at Swansea—and acknowledged that it was impossible for the appellant to produce his documents. However, he ruled that impossibility was not a defence because of the absolute nature of the duty laid down in the statute. Having read the cases that were cited during those proceedings and having examined other case law, I am by no means certain that outside the narrow circumstances of the particular case the same conclusion would be reached. Other High Court judges would not be bound by the decision as it lacks the authority of the Court of Appeal or the House of Lords, and they would not necessarily come to the same conclusion.

We should hesitate before enacting legislation in advance of ascertaining whether any seeming injustices can be remedied by the courts themselves. A different set of circumstances could be conceived where the defence of impossibility would obviate the need for the Bill. The case of Harding *v.* Price was brought into issue in the case cited by the hon. Member for Beaconsfield.

The facts of the Harding *v.* Price case were that, while driving along a road, the trailer of a vehicle collided with a stationary car and damaged it. Owing to the noise made by the towing vehicle, the driver was unaware that the accident had occurred, so he did not report it to a police station or to a police constable as required by section 22 of the Road Traffic Act.

At first sight, because of the absolute nature of the obligation, according to the hon. Member for Beaconsfield, one would have expected the driver to be convicted, despite it being held that he did not know that the accident had occurred because the noise of his vehicle masked it from him.

Believing that the offence was absolute, the magistrates convicted that driver. When the case came before the High Court, the judges took the contrary view. To underline my belief that there is no necessity for the reasonable practicality defences proposed by the hon. Member for Beaconsfield, I shall read what Judge Singleton said in the case:

"The justices have found that there was no guilty knowledge on the part of the appellant. He did not know that there had been an accident. We are not dealing with a prohibited act, but with the case of a man who is called on to do something, namely, to report an accident."

I ask hon. Members to mark that well. Here is a case which is congruent with a large number of the circumstances that we have been discussing—the fact that people do not report. It is not a prohibition that we have been debating; it is the failure to report. Similarly, in this case the failure was the failure to report an accident about which the driver did not know.

The judge went on:

"How can he do that if he does not know that an accident has happened? There are two possible ways of construing section 22, and, in my view, the court ought not to adopt one which would mean that a person is called on to do the impossible"—

again I ask the House to mark how differently this judge approaches it from the approach of the judge in the case cited by the hon. Member for Beaconsfield—

"or suffer conviction if he fails to do it when there is another equally reasonable construction which avoids that position arising. I am of the opinion that the appeal should be allowed, and the conviction quashed."

In citing the case that he did, the hon. Member for Beaconsfield placed excessive reliance upon it. Although the judge, tortuously in my opinion, tried to distinguish the case before him from the one that I have cited, which in my view was decided so rationally by Judge Singleton, I remain unconvinced and I believe that it requires some resolution by a higher court if we are effectively to reconcile those decisions.

It is my view that under these two heads the House should consider whether it should pass a Bill which may not be necessary at all and which imports considerable hazards, as I have pointed out repeatedly.

For all those reasons, I suggest that, before the House approves the Bill, it should consider the obvious balance of advantage and whether there is an overriding necessity for it to be on the statute book.

1 pm

Mr. Tim Smith: I thank my hon. Friend the Minister and the hon. Member for Wigan (Mr. Stott) for their support for the Bill.

I wish briefly to deal with the arguments advanced by the hon. Member for Torfaen (Mr. Abse). He has two reservations about the Bill. His first is that it would weaken law enforcement because two extra days would be available to rogues before the police came to grips with them. That argument is fallacious. What matters is the lapse of time between the date on which the offender is stopped by the police and the day on which he is convicted in court. The fact that he has to produce his documents at a police station within a certain period of time is neither here nor there. However, that is an important and urgent matter, which is why the Bill proposes only two addional days. The requirement that a motorist must produce his driving documents at a police station is part of the structure of law enforcement.

Secondly, the hon. Gentleman questioned whether the Bill is needed. It is because injustice has been done in the past. The hon. Gentleman claims that that occurred only because a police officer made a mistake. I believe that that

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brings the law into disrepute. If the police believe that the law is unsatisfactory, and they have an official policy of not enforcing it, we should change the law.

The other point, to which the hon. Gentleman referred at great length, was that the matter referred only to documents stuck at Swansea. However, the Bill envisages other circumstances in which it might be appropriate for a defendant to produce an excuse of reasonable delay.

Those were the only arguments advanced against the Bill receiving a Third Reading. Therefore, I believe that the House should give it a Third Reading.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Unborn Children (Protection) Bill

As amended (in the Standing Committee), considered.

1.2 pm

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Deputy Speaker. Hon. Members who have been deluged with letters on this subject from their constituents—putting both sides of the argument—thought in good faith that the Government would come forward with legislation on this important matter. Before we begin consideration of the Bill, could we hear a word from the Minister about the precise intentions of the Government——

Mr. Deputy Speaker (Mr. Harold Walker): Order. That is not a point of order. It would be as well to give the Minister an opportunity to refer to these matters during the debate.

Mr. Dalyell: Further to that point of order, Mr. Deputy Speaker. I do not want to pursue this, but it has a bearing on the whole matter. Considering how seriously this matter is regarded by many thousands of people in Scotland and elsewhere, we thought that at least we would have a statement from the Minister or from the Scottish Office——

Mr. Deputy Speaker: Order. The hon. Gentleman is an experienced Member of Parliament. He knows as well as I do that this matter is not for the Chair but for Ministers. I am not responsible for ministerial statements.

We come to amendment No. 2, with which we will discuss——

Mr. Tony Blair (Sedgefield): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. The hon. Gentleman must not rise when I am on my feet.

The first amendment to be called is No. 2, with which it will be convenient for the House to discuss amendments Nos. 3, 4, 48 and 49.

Mr. Blair: On a point of order, Mr. Deputy Speaker. I hope that this is an appropriate moment to raise a point of order about a serious matter concerning the rights and privileges of Members of Parliament and, indeed, the record of this House. I gave notice that I would raise this matter——

Mr. Deputy Speaker: Order. The hon. Gentleman rightly reminded me that he gave notice of his intention to raise a point of order. He will recall that I told him that I would deal with that matter at half-past two. I see no reason to revise the opinion that I voiced privately to him. The hon. Gentleman must raise his point of order at half-past two or at the conclusion of business, and I shall listen

Clause 1

FERTILISATION OF HUMAN OVUM IN VITRO PROHIBITED, EXCEPT FOR EMBRYO INSERTION

Mr. Leo Abse (Torfaen): I beg to move amendment No. 2, in page 1, line 6, after 'shall', insert 'knowingly'.

Mr. Deputy Speaker: It will be convenient for the House to consider at the same time the following amendments:

No. 3, in page 1, line 7, leave out 'procure' and insert 'cause'.

No. 4, in page 1, line 10, at beginning insert 'knowingly'.

No. 48, in page 2, line 43, at end insert:

'(7) In any proceedings for an offence under this Act it shall be a defence for a person charged to prove,—

(a) that the commission of the offence was due to a mistake or to the act or default of another person, an accident or some other cause beyond his control; and

(b) that he took all reasonable precautions and exercised all due diligence to avoid the commission of such an offence.'.

No. 49, in page 2, line 43, at end insert—

'(7) In any proceedings for an offence under this Act it shall be a defence for a person charged to prove that at the time of the alleged commission of the offence he honestly and reasonably believed that he was acting with the authority of the Secretary of State.'.

Mr. Abse: It will be well known to the House that almost the whole of the medical and scientific community is ranged against the Bill. There are many reasons why those who comprise that community take that view, but it would take me well beyond this group of amendments were I to adumbrate them, apart from the fact that I should incur the displeasure of the Chair.

One reason is their indignation that their dedicated work in the conquest of infertility may, by the Bill, attract the stigma of criminality. Since, despite their protests, despite all the arguments that rationally have been advanced against the Bill and despite the measured and well thought through Warnock proposals, the sponsor, the right hon. Member for South Down (Mr. Powell), has chosen relentlessly to pursue his course, it falls to the House to ensure that no doctors, scientists or nurses are placed in jeopardy under threat of the criminal law when, even if they were acting within the strict and rigid parameters laid down by the Bill, by inadvertence and without malevolent intent then found that they had trespassed so as to enter into the mined territory which the sponsor creates for some urgently needed research.

In his intemperate zeal, for which he is notorious, the right hon. Member for South Down has, in his Bill, placed many of its provisions in the absolutist terms that become his temperament. In vetoing, as the Bill does, anyone procuring the fertilisation of a human ovum, privately and without the sanction of some bureaucrat in Whitehall, the right hon. Gentleman seeks—and perhaps succeeds as the Bill is drafted—to draw into his net even those who, although not wilfully, may directly or indirectly have helped towards the fertilisation of a human ovum in vitro, or precipitated such an outcome, and thus had it in the laboratory, albeit for no sinister purpose and with no intention to defy the law.

Amendments Nos. 2 and 4 are designed to make it crystal clear, by inserting the word "knowingly" in the provision, that no one should unnecessarily be at risk, even though he or she has not set out to defy what I regard as the evil law that this measure seeks to enact.

Mr. William Cash (Stafford): I wish briefly to show the sort of nonsense that the hon. Member for Torfaen (Mr. Abse), who is a lawyer, has been speaking by quoting Lord Devlin's remark about the word "knowingly". He said:

"All that the word 'knowingly' does is to say expressly what is normally implied".

The hon. Gentleman is indulging in an exercise to waste time, and he knows it.

Mr. Abse: The law is rarely as simple as the hon. Gentleman suggests. He may be simple, but by the time I have finished he will see that there is greater complexity about the issue of the word "knowingly" than he imagines. I am certainly not wasting time. I am engaged in a serious debate to mitigate the consequences of an evil Bill. I intend to do that to the best of my ability.

Amendments Nos. 2 and 4 set out to make it crystal clear that by placing the word "knowingly" in clause 1, no one should unnecessarily find himself at risk, although we must define the law that the Bill seeks to enact. Despite the intervention, I hope that non-lawyers will bear with me and not regard me as patronising or filibustering when I attempt to explain why in the existing law there is considerable ambiguity about whether the omission of the word "knowingly" in the framing of an offence sometimes leads to the creation of an absolute offence in respect of which there can be no defence, however lacking in intent the man may be.

Dr. M. S. Miller (East Kilbride): It may help the House if my hon. Friend gave some examples of where in the present law the word "knowingly" is inserted. That may help us to understand his argument.

Mr. Abse: I assure my hon. Friend that I coming to that. I understand his point, especially when a view is expressed, as it has been, that the matter is frivolous and does not need to be given considerable thought. If my hon. Friend will be patient, I shall spell out why we need this amendment, and I shall deal directly with the matter that he has raised.

By unhappy coincidence, hon. Members who were present will have observed that the last amendment which we debated dealt with the question of an absolute offence in the Road Traffic (Production of Documents) Bill. I cited two cases, one of which the hon. Member for Beaconsfield (Mr. Smith) also cited, to explain that a rule was absolute. I pointed out how difficult it sometimes is in law to say whether that is so by citing other cases.

We must see what the position is. At first, it seems to be simple to say that we do not need the word "knowingly". There is an old Latin tag, which I shall say in English. I had the benefit of a considerable classical education, as the right hon. Member for South Down had. I am only too well aware that when lawyers depend on their Latin, they strangulate the language. The tag says that the deed does not make a man guilty unless he has a guilty mind. At first sight, that would appear to clinch the quotation of the hon. Member for Stafford (Mr. Cash). Nothing causes more difficulty in legal arguments than the conflict that arises when we ask whether that principle applies across the board. The tag usually applies to statutory offences. Although it has been stated that no specific requirements as to the mental element are included in the definition of the offence, in common law an honest and reasonable belief in the existence of circumstances which, if true, would make the act for which the person is indicted an innocent act has always been held to be a good defence. However, the statute law is different, and it has frequently been suggested that the principle does not apply equally for statutory offences unless the intention is expressed.

1.15 pm

So that the House may realise that there is a need for the word "knowingly", let me give some extracts from a

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case. It shows, first, that the absence of mens rea—of intent—can be shown by the honest and reasonable belief entertained by the accused of the existence of facts which, if true, would make the charge against him invalid. Therefore, some would claim that the principle can be expressed thus: mens rea is the absence of an honest and reasonable belief in the existence of circumstances which, if true, would make the act or omission for which the accused is indicted innocent. But, unfortunately, many cases make it clear, although they are in conflict, that many judges take a contrary view. They consider that, unless the legislator implies the principle in a set of circumstances, including the intention of the legislator, the absence of the word "knowingly" may mean that the defence which would normally be put forward to show the absence of mens rea would not apply. Indeed, that is what happened in the road traffic incidents with which we dealt earlier.

I have no doubt that we need the word "knowingly", especially since, on any interpretation of the legislator's intention, the court may come to the conclusion that the intention of the House was to make it an absolute rule.

I have little doubt that the would-be legislator, the right hon. Member for South Down, would regard an infringement of the Bill, if unhappily it became an Act, as what judges have described as an offence of a truly criminal nature. The courts are more likely to come to a different conclusion if the offence is thought to be of a trivial nature than if it is thought to be of a truly criminal character. If the legislator intends vigorously that an offence should be regarded as being of a truly criminal character, it is likely that without the word "knowingly" the offence will be regarded as absolute.

Mr. Robert Maclennan (Caithness and Sutherland): I find it hard to follow the argument. The use of the word "procure" in the Bill is intended to indicate that the offence has to be done knowingly. Amendment No. 3 proposes to delete the word "procure" and to insert the neutral word "cause". To cause something to be done does not mean that it is done deliberately. The use of the word "procure" rather than "cause" would make the hon. Gentleman's amendment unnecessary. He is not a signatory to amendment No. 3, but if that were carried I could accept and follow his line of reasoning.

Mr. Abse: I agree with the hon. Member for Caithness and Sutherland (Mr. Maclennan). I understand that a long debate took place in the Committee, of which I was not a member, about the word "procure". I am sure that hon. Members who endured the Committee proceedings are only too well aware of it. I have to consider the position as it is. The word "procure" is ambiguous and I shall press my amendment.

I have little doubt that the right hon. Member for South Down would regard an infringement of his measure as being of a truly criminal character as described by the judges. How adamant the courts can sometimes be when the word "knowingly" is omitted from legislation is illustrated in a Court of Appeal decision which might be relevant to the amendment. A defendant was found to have made a device that was a firearm. The court accepted that the hapless man did not know that he had created a firearm. In that case in 1981, R. *v.* Hussein, the court insisted that despite the defendant's lack of intent to create a firearm the fact that he had done so was enough to justify the conviction. That was not the decision of an ordinary court but a significant decision by the Court of Appeal.

In coming to that decision, the court was following another of its decisions in Warner *v.* the Metropolitan Police Commissioner, where, in the absence of the word "knowingly", the court found that, although the accused had an honest and reasonable belief that the firearm that he possessed was an antique and, therefore, exempt from section 1 of the Firearms Act 1968, that honest and reasonable belief was not a defence. The firearm was not an antique, though the man believed it to be, and he was convicted.

There are many other such cases and they show there is a distinction between the bare statement of the offence or a description of an act and the introduction of the words "knowingly" and "consciously". If we leave the Bill as it stands, it is almost inevitable that some hapless doctor, clinician or scientist will find himself in grave difficulties.

Mr. Dafydd Wigley (Caernarfon): Even if the word "cause" were inserted instead of "procure", would not the word "knowingly" also have to be inserted to provide a defence for scientists who can cause things to happen inadvertently? We need a safeguard for them.

Mr. Abse: I believe that it is wiser to use the word "knowingly", because it has been defined time and again and examined at length in many cases. The law is familiar with the concept.

Mr. Dalyell: With our friendship of over 20 years, may I put a point to my hon. Friend? He has already spoken for 117 minutes today. Are we to have the opportunity to put a number of concise questions to the promoter of the Bill and the Minister? Many of our constituents are desperately concerned about this issue. Will my hon. Friend give us some idea of how long he intends to speak?

Mr. Abse: Our proceedings will close in the usual way, according to the ruling of Mr. Speaker. Within the time that we have at our disposal, it is necessary for me to protect to the best of my ability the medical and scientific community which faces considerable threats because of the Bill. Whatever pressure groups outside may say, there can be no question of our hurrying through the Bill.

Ms. Harriet Harman (Peckham): My hon. Friend has said that the medical and scientific community could be caught unwittingly if the word "knowingly" were not added. Does he agree that staff, technicians and perhaps even the woman herself might be regarded as being "in possession"?

Mr. Abse: I have suggested how circumstances could arise through inadvertence. Technicians, people working with doctors and the woman herself could be involved. However, perhaps my hon. Friend will be able to contribute later and tell us how the Bill impinges on those groups.

Those who share my view might reasonably be asked "Are you being reasonable? Why should anyone want to possess a human embryo, produced by in vitro fertilisation, except for a sinister purpose?" How could an embryo inadvertently come into the possession of a person without permission or once the authority provided under the Bill had expired?

My hon. Friend the Member for Peckham (Ms. Harman) expressed some of the fears of the medical

profession. The medical profession has told me and many other hon. Members that there may be circumstances when it wants to possess or repossess an embryo with which it could do great good. If the word "knowingly" were not included, the profession could find itself in great difficulty.

Pregnancies can, and frequently do, go wrong. An embryo can sometimes lodge not in the uterus or the womb but in the fallopian tube or the abdominal cavity. That is said to be ectopic. If the embryo and the implantation site are not removed they almost invariably cause the death of the mother. In the absence of surgery, the embryo could continue to grow in the fallopian tube to such a size that by about the sixth or eighth week of pregnancy it causes the tube to burst. The unhappy woman could die from internal haemorrhage.

The right hon. Member for South Down intervened in Committee, but he has not persuaded me or the medical profession that the removal or repossession of the embryo conceived by in vitro fertilisation should be regarded as a criminal offence.

Mr. J. Enoch Powell (South Down): The hon. Gentleman is referring to the contents of amendment No. 12. It may be of some comfort to him to learn that I intended to advise the House to accept amendment No. 12. It would deal with the point that he is making.

Mr. Abse: I was merely giving an example. The right hon. Gentleman is retreating. One has only to give that example to show that women could be put at risk by the Bill and the right hon. Gentleman scurries away and says that he will concede the point. I do not find that impressive. As soon as one gives an example, he takes to his heels.

Mr. Powell: I gave an assurance in Committee that the Bill already excluded the subject matter of amendment No. 12, but that if the House decided that it wanted the matter written on to the face of the Bill, that is something that I would respect.

Mr. Abse: The right hon. Gentleman may in due course have an opportunity to include that matter in the statute. I am dealing with the Bill as it stands. No one except a monster would want to convict a doctor engaged in a life-saving exercise when a risk has been identified. I do not find the right hon. Gentleman's attitude persuasive. On the contrary, it raises my alarm still further. I gave an example and I received that response from the right hon. Gentleman. Many other examples can be given to show that the Bill needs to be radically overhauled and that there is a need for the inclusion of the word "knowingly".

Dr. M. S. Miller: I can give my hon. Friend an example of an ectopic pregnancy as I once sent a former hon. Member to hospital because she would otherwise have bled to death.

Mr. Abse: I am sure that my hon. Friend's medical experience is known to the House. His corroboration of the existence of hazards will be noted.

Mr. Patrick Nicholls (Teignbridge): It has presumably escaped the attention of the hon. Member that the Bill deals with the protection of the unborn child. Does he intend to address that matter, or will his filibuster not have time for it?

Mr. Abse: The hon. Gentleman must understand that Bills on life and death matters need the most careful scrutiny. We want, and are not afraid of, full debate. That is what we are engaged in. I do not know why the hon. Gentleman wants us to move along when a big chink has been found. Does not the hon. Gentleman want to save the life of a mother at risk?

Mr. Nicholls: The hon. Gentleman has already heard my right hon. Friend the Member for South Down (Mr. Powell) concede that he will accept an amendment which deals with precisely the point that the hon. Gentleman is making.

Mr. Deputy Speaker: Order. We cannot anticipate amendments further down the Notice Paper or debates that might occur on them.

Mr. Abse: I take your point, Mr. Deputy Speaker. I shall continue to talk about the Bill as it is and why we need to make my amendment.

Mrs. Elaine Kellett-Bowman (Lancaster): I have had an operation for an ectopic pregnancy and I am satisfied that my safety would have been secured under the Bill as it stands, and certainly as it will be improved.

Mr. Abse: That is an affirmation of belief. We do not pass legislation according to faith or affirmations of belief. We have a legislative process that enables us to scrutinise rationally. When we have irrational Bills that are prompted, as it is said, by gut reaction or, as the promoter said, out of instinct, there is all the more reason for us to apply our rationality and scrutinise them.

An inserted embryo can develop abnormally and grow uncontrollably. It can become a grape-like tumour called a hydatidiform mole. Some of those tumours are benign, and they can cause severe bleading and the woman can die from haemorrhage. Between 5 and 10 per cent. of the moles become malignant cancers and extremely dangerous to the mother.

Removal can prevent death in almost 100 per cent. of cases. Prior to removal, however, it is not known whether the embryo has been destroyed completely by the tumour or whether it is still present with the tumour. Removal of the embryo or the entire tumour, which is the product of the conceptus, would be prevented by the Bill, so somebody could be in extraordinary difficulty unless my proposed precaution is accepted.

There are exceptional circumstances in which it would be considered essential to abort the embryo that has been conceived in vitro under the Abortion Act 1967. What would happen if the embryo that had been inserted was revealed by amniocentesis to be abnormal or if the life of the mother was clearly threatened by the pregnancy? Since it would be an offence to repossess the embryo, a procedure available to the rest of the population would be denied to a woman with an in vitro conceived embryo. I am not surprised that the hon. Member for Lancaster (Mrs. Kellett-Bowman) intervened to stress that, in trying to put safeguards into the Bill, we are providing safeguards not only for doctors and scientists but for the women who might be in difficulty with an in vitro embryo in their wombs.

One could ask how a person could unintentionally—it could be argued, even in these circumstances, that the doctor was intentionally trying to repossess an embryo —be in possession of an in vitro fertilised embryo after

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the expiry of the authority of the Secretary of State. It is well known that about one in five pregnancies is miscarried. However, before miscarriage occurs, there may be what is known as a threatened or inevitable miscarriage. Patients may show severe bleeding from the womb. Appropriate treatment to stop the bleeding is to empty the womb of the pregnancy—the embryo and the placenta—to allow the uterus to close. Once again, the medical practitioner will inevitably be in possession of an in vitro fertilised embryo without the permission of the Secretary of State. This may be construed as a criminal offence.

I know that some of these matters were discussed at length in Committee in connection with other amendments, but I believe that I am right in drawing the attention of the House to the unsatisfactory nature of the Bill which has the impress of absolutism upon it and which, consequently, has caused so much alarm to those dedicated men and women who are trying to conquer the problem of infertility. Because of those concerns, and in the knowledge that other hon. Members want to join in expressing their belief in the need for these amendments, I plead with the House to consider carefully before putting at risk good men and women and deciding that these words, which are so small in themselves but which could be so important in their consequences, should be in the Bill.

Mr. J. Enoch Powell: Much of the speech of the hon. Member for Torfaen (Mr. Abse) was connected with the question of an embryo that had already been inserted. As I advised the Standing Committee, that subject lies outside the terms of the Bill as it is drawn. That, however, is a matter that can be dealt with when we come to amendment No. 12, where the House may decide that it is desirable to put on the face of the Bill the interpretation of the measure. I confine myself, therefore, to the group of amendments to which the hon. Member for Torfaen referred.

I do not treat at all lightly the question of legal safeguards in favour of those who might be caught by the terms of the Bill. In the limited time available since the amendments were tabled, I have taken advice from the two Departments concerned; the Home Office and the Department of Health and Social Security. I repeat once again that I am obliged to the Minister's advisers for the careful, ready, although strictly neutral advice which they have at all times made available to me.

It would be advantageous if the House inserted two of the amendments into the Bill. I refer to amendments Nos. 4 and 49, which I shall deal with shortly. However, it may be convenient if I deal first with amendment No. 3. In Committee this issue was the subject of discussion between myself and the hon. Member for Holborn and St. Pancras (Mr. Dobson). It then appeared that both of us would have been glad if we could have found a word that would do the same work as the term "procure" but which did not have the unintended and, in this case, irrelevant overtones of that verb. The hon. Gentleman withdrew his amendment, but I promised him that I would seek advice as to whether an alternative term was available.

1.45 pm

I had to inform the hon. Member for Holborn and St. Pancras in advance by letter on 4 April that the search had proved fruitless. My advice is that the only satisfactory term that will cover a person under whose direction the procedures are carried out and a person who carries them out is "procure", and that to insert the word "cause" would be an absurd narrowing of the meaning, as it would relate to the specific and direct act of causation and would leave out of account the question of responsibility, for example, on the part of the person under whose direction the fertilisation was carried out. Therefore, I must advise the House that the word "procure" should remain in the clause in order to meet the purposes of that provision.

The safeguards proposed in the amendments are of two kinds. The first pair of amendments proposes to insert the word "knowingly" in paragraphs *(a)* and *(b)*, and paragraph *(b)* only, respectively. The second pair of amendments, amendments Nos. 48 and 49, provide a valid defence in the event of a charge being brought under the Bill. It may be convenient to deal first with amendments No. 48 and 49.

Amendment No. 48 would provide a two-limbed defence: first, that the act was due to circumstances beyond the defendant's control; and, secondly, that he took reasonable precautions and exercised all due diligence to prevent the commission of the offence. To avail himself of the defence proposed in amendment No. 48, the defendant would have to prove both limbs of the defence; and if he failed on one, the whole defence would fall. If such a defence were included, the second limb alone—that he had taken reasonable precautions and exercised all due diligence to prevent the commission of the offence—would be sufficient and satisfactory for the protection of persons who might be persons in a quite subsidiary capacity in the unlikely event of a charge being brought.

It is, therefore, amendment No. 49 that provides the most effective and practical defence, and I advise the House to accept it.

Mr. Dalyell: I wish only to make a genuine inquiry. When I was first elected to the House, the right hon. Gentleman was the Minister for Health, and I learnt much from him about parliamentary tactics in the mid-1970s. He will appreciate that I ask my question in that spirit of inquiry. I was not a member of the Committee that considered the Bill, but in column 141 there is a report of a crucial exchange that was started by the hon. Member for Bolton, North-East (Mr. Thurnham), who said:

"I am still unclear what will happen to the spare embryos. It is all very well to say that the Bill says that they will not be used for anything other than implanting in a woman. What will happen to them if they are not implanted in a woman?"

The right hon. Member for South Down (Mr. Powell)—this took place in the middle of the night—replied:

"As I understand it, an embryo which is not inserted and which is not used for that purpose, although it was brought into existence for that purpose, ceases to exist as an embryo."

Whereupon the hon. Member for Canterbury (Mr. Crouch) said:

"It dies."

The right hon. Gentleman seems to have assented. He is reported as saying:

"It dies."—[*Official Report, Standing Committee D*, 13 March 1985; c. 141.]

That is a crucial matter which concerns many people. Will the right hon. Gentleman clarify——

Mr. Deputy Speaker: Order. I should have intervened earlier. I reminded the House when the debate started that

we should not anticipate debates that will take place on later amendments. We cannot anticipate amendments subsequent to those before the House. Amendment No. 18 refers to the very matter that the hon. Member for Linlithgow (Mr. Dalyell) is raising.

Mr. Powell: I am obliged, Mr. Deputy Speaker. Your intervention has relieved me of giving the reply which I would have given in similar terms to your ruling to the hon. Member for Linlithgow (Mr. Dalyell).

Dr. M. S. Miller: I genuinely seek information. The clause does not make it an offence of any sort for a person to

"procure the fertilisation of a human ovum . . . in the fallopian tube".

It defines "in vitro" as

"elsewhere than in the fallopian tube or uterus".

Therefore, it would not be an offence if a doctor, scientist or experimenter placed a fertilised ovum in the fallopian tube. Does the right hon. Gentleman mean that?

Mr. Powell: I fear that the hon. Gentleman may have tripped himself up in the posing of his question. He ended his question by using the words "if such a person has placed a fertilised ovum in the fallopian tube." In that case, ex hypothesi, the fertilisation would have taken place outside the fallopian tube and would have been caught by the terms of the Bill. The hon. Gentleman is right in saying that the Bill is concerned with IVF. Therefore, it is not concerned with fertilisation which takes place in the only two areas in which it can take place in a woman, which was the earlier wording of the Bill — namely, in the fallopian tube or the uterus. I can assure the hon. Gentleman that the Bill is about what it is about.

I turn to the two amendments which seek to insert the word "knowingly". They relate to paragraphs *(a)* and *(b)* of subsection (1) and, secondly, paragraph *(b)* only. I shall deal first with "knowingly" in relation to paragraph *(a)*, which refers to procuring

"the fertilisation of a human ovum in vitro".

No one who has had the benefit of witnessing the remarkable technical and scientific procedures which result in fertilisation in vitro would imagine that it could be procured unknowingly. Whatever is happening when there is fertilisation in vitro is happening knowingly—is being procured knowingly. It would be inconceivable for it to happen by a mere fluke. Therefore, "knowingly" in relation to paragraph *(a)* is superfluous.

However, in paragraph *(b)*, which deals with possession, a wide range of persons, who were not necessarily fully informed of the status and terms of the authority of the Secretary of State under which the fertilisation had taken place, could be held to be in possession. That is why I believe that it is a proper concomitant of amendment No. 49, with its safeguard, which provides a defence in proceedings, that the requirement of knowledge should be inserted in paragraph *(b)* in order to be the basis of the prohibition.

Mr. Wigley: The right hon. Gentleman has conceded that there is a danger that a number of people could inadvertently find themselves in possession and not have knowledge about it. Does he believe that the word "knowingly", even with amendment No. 49, is adequate protection? Does he accept that there will be many scientists and technicians who will be afraid of being taken to court, notwithstanding the protection given by amendment No. 49, on the basis that the word "knowingly" itself is not enough to protect their interests?

Mr. Powell: I must refer the hon. Gentleman to the purpose both of the Bill and of the clause, which is to delimit in terms of the authority of the Secretary of State the purposes for which an IVF embryo may be possessed. Therefore, we are dealing with persons who, upon the whole, will be in responsible positions and will be fully aware of the purposes for which that embryo is possesed. However, there is a marginal possibility that possession will be held to apply to ancillary staff, for example, at some stage in a hospital process. That is why it appears to me—and I am advised—that the term "knowingly" could be useful and practical in its application to paragraph *(b)*.

Taking the group of amendments as a whole, I advise the House not to accept amendments Nos. 2 and 3, to make amendment No. 4, and, when we come to them, not to accept amendment No. 48 but to make amendment No. 49.

If you will permit me, Mr. Deputy Speaker, I should like to make a point at this juncture about the acceptance of amendments in this Report stage which, it will be appreciated, were tabled two or three days ago and which have been available for careful study only for a relatively short period. These amendments are accepted expressly on the understanding that, by accepting them, I do not rule out the possible need for drafting consequentials or alterations to be made at a subsequent stage of the Bill. It is upon that basis that, as a matter of fact, I intend to advise the House——

Mr. Willie W. Hamilton (Fife, Central): On a point of order, Mr. Deputy Speaker.

Mr. Powell: I have not been called to order by the Chair.

Mr. Hamilton: I rise on a point of order. Mr. Deputy Speaker will decide that, not the right hon. Gentleman.

It appears from what the right hon. Gentleman said that he seems to be making conditions on which he will accept amendments. The Bill is now in the possession of the House as a whole. We shall decide, subject to your jurisdiction, Mr. Deputy Speaker, not the right hon. Gentleman's, what is and what is not in order.

Mr. Deputy Speaker: It is true that the House will decide what amendments will be made. I thought that the right hon. Member for South Down (Mr. Powell) was giving advance notice of the possible tabling of further amendments, which is not unusual.

Mr. Powell: It is also not unusual for either a Minister or another hon. Member to offer advice to the House. I want to be quite clear with the House about the terms on which I am offering advice in respect of a Bill of which I am the sponsor when I advise the acceptance of forms of wording in these amendments. Obviously I cannot in present circumstances commit myself to all the drafting implications of those amendments. Therefore, my advice to accept them is subject to the possibility that it may be found necessary to modify them or to have supplementary amendments made at a later stage of the Bill.

It seems to me to be no more than candid with the House, as I propose to advise the acceptance of four

[Mr. Powell]

groups of amendments, to show the understanding that I wish the House to have when these amendments come to be made, as I hope they will be in due course.

Mr. Peter Thurnham (Bolton, North-East): The right hon. Gentleman said that he wished to be candid with the House. I ask him to be candid with the public. He has called this the "Unborn Children (Protection) Bill", but he says that those words do not appear in the Bill itself and that the Bill does not refer to unborn children.

Mr. Powell: The title of a Bill is not a part of that Bill.

2 pm

Mr. David Crouch (Canterbury): We have listened to the right hon. Gentleman——

Mr. Wigley: On a point of order, Mr. Deputy Speaker. The right hon. Member for South Down (Mr. Powell) said that he may need to table consequential amendments arising from amendments that he is prepared to accept today. Can you advise the House whether it will be in order for other hon. Members to table amendments, that will be duly considered, arising from or implied by the changes in the Bill?

Mr. Deputy Speaker: If the House does not complete further consideration of the Bill today, doubtless it will be set down for some other day. The normal rules of the House will apply—that hon. Members may table their amendments within the normal time limit.

Mr. Crouch: I must declare an interest as I am a member of the Medical Research Council. I make that declaration because the Medical Research Council has positive views on the Bill.

As we consider these amendments, we are grateful to the right hon. Member for South Down (Mr. Powell) for having explained his position on the amendments, especially in regard to the words "knowingly", "procure" and "cause". I am a little surprised that, at this late stage, when we are within an hour of reaching a decision on the Bill, the right hon. Gentleman should say that he intends to table amendments. We have all tabled amendments—

Mr. J. Enoch Powell: I said that I was prepared to advise the House to accept amendments already on the Notice Paper.

Mr. Crouch: I accept that, but it is a little late in the day, although I make no complaint about that. But it is unusual for the right hon. Gentleman to be so imprecise and to show some ambiguity. It is most unlike him, but that is a small point.

I wish to speak about matters principally concerned with the law and the understanding of the words "knowingly", "procure" and "cause", which are the subject of the three amendments. I am not a lawyer, but about 44 years ago I had my first experience in court as an amateur lawyer. I was in the Army and I was required to defend two soldiers against a serious charge of desertion. The word "knowingly" was very much in my mind and I used it as part of my defence.

If any man absents himself without leave when, under embarkation orders, he is due to go overseas on active service, he is guilty under military law of desertion. I was five days in court as an amateur lawyer defending the two soldiers, so I learnt something about the use of words—especially as lawyers use them. I realised that I had to understand the meaning of knowledge in the mind of a person.

My defence of the two soldiers—although I was not successful—was to plead that they knew that they were suffering from a serious illness that might not be treated overseas, venereal disease. Therefore, they knowingly decided to absent themselves and not board the ship because they feared that they would not receive medical treatment overseas.

I did not succeed in my plea that their knowledge should mitigate their sentence. I make that point only because as I approach the use of the word "knowingly" today, I remember using it once before.

This is not a light matter because the Bill has criminal consequences. If anyone makes a mistake in the application of his techniques or in how he proceeds with in vitro fertilisation—if he oversteps the mark set down in the Bill—under clause 2 he is at once subject to criminal prosecution.

Mr. Cash: My hon. Friend has had reason to use the word "knowingly" in proceedings. Is he aware, as I pointed out in an earlier intervention, that Lord Devlin has taken the view that the word "knowingly" is not necessary, that it is superfluous and would normally be implied in a situation of the kind with which my hon. Friend is dealing?

Mr. Crouch: It is not for me to cross swords with the noble and learned Lord, whose experience of the law is somewhat wider than mine.

Suffice it to say that from my experience as a politician and as a member of the Medical Research Council, and from what I have seen of the performance of fertilisation in vitro, I appreciate that there are areas of uncertainty. The Bill does not clarify those uncertainties. As there are criminal sanctions in the measure, we have a duty to safeguard those who practise in vitro fertilisation. After all, it is permitted under the Bill, which writes certain safeguards round it. Those safeguards are inadequate and we must get this matter right. We must not rush this issue.

Ms. Harman: Is the hon. Gentleman aware that it is the responsibility of the House, when creating serious criminal offences which could result in imprisonment and the ruination of careers, to ensure that those offences are sound and just? What a judge might have said about what might normally happen in certain circumstances in a case involving a different offence should not divert us from our responsibility of making sure that the criminal law is fair.

Mr. Crouch: That was the point I was endeavouring to make. It has now been made much better by the hon. Lady, who is a lawyer.

Although "knowingly" is an important word, which should be added, may we be told to what it relates? Knowing what? And what is not known? There is ambiguity in the drafting of the Bill, and I repeat that it is extraordinary that a measure of such imprecision should have come from the hand of the right hon. Member for South Down.

Sir Bernard Braine (Castle Point): My hon. Friend has several times said that the Bill is imprecise, that it contains grey areas and that it is difficult to understand. Does he recall that the Second Reading of a measure to make experimentation with human embryos unlawful was passed by the thundering majority of 238 to 66?

Mr. Crouch: I am not arguing in favour of further research on the human embryo. This series of amendments is concerned with words, and the one word about which I am speaking is "knowingly". I am asking whether people who take part in in vitro fertilisation know what they can and cannot do.

The implementation of the clause, especially clause 1(1)*(b)*, would make it an offence to have in one's possession a human embryo produced by in vitro fertilisation without the express permission of the Secretary of State. That applies equally to the possession of live, dead or non-viable embryos because no distinction is made in the Bill. We therefore need to establish whether a person knows what he is handling, what he may do, and what a person who takes part in in vitro fertilisation thinks he or she knows. Some hon. Members may think that the amendment is a trivial addition to the Bill, but it reveals a huge flaw. The difficulties in interpreting the law will be serious if we do not get the Bill right and it passes to the statute book.

I fully understand the intention of the right hon. Member for South Down that an embryo produced by in vitro fertilisation should have a special status to safeguard it from abuse. I am sure that he never meant his Bill to apply to dead embryos. However, he does not say so. The Bill is imprecise. If a human embryo is conceived in vivo it has a one in five chance, and if it is conceived in vitro it has a one in three chance of aborting spontaneously, that is of miscarrying. Although that may happen at any stage in its development, it is more common for it to occur in the first few weeks after conception than later in pregnancy. It is standard medical practice for embryos that have miscarried, especially when it is a repeated event in the medical history of the mother, to be sent to a specialist laboratory for examination to see if a cause for the miscarriage can be found. That may be done using anatomical; biochemical, histological or cytogenetic techniques—in other words, a standard post mortem.

Mr. J. Enoch Powell: I wish to repeat to the hon. Gentleman that the Bill does not apply to an embryo after it has been inserted. That issue arises on amendment No. 12, about which there was an exchange earlier, acceptance of which would be merely confirmatory of the interpretation of the Bill. I thought that it would be helpful to the hon. Gentleman if that were clear.

Mr. Crouch: I am grateful to the right hon. Gentleman because his comment is helpful to me. I know exactly what he means and what the Bill intends. However, there would still be a doubt in the minds of those who practise in vitro fertilisation about what they can or cannot do.

The notion of a post mortem may be considered in another way when we consider embryos produced by in vitro fertilisation. Many such embryos stop dividing after one or two divisions. That is known as cleavage arrest, and the embryo referred to is an arrested embryo. That is not be confused with arrested in vitro fertilisers, who contravene the Bill. The arrested embryo cannot give rise to a pregnancy even if it is transferred to a uterus. It is non-viable in every sense of the word. Those embryos are effectively dying, if not already dead.

Mr. Deputy Speaker: Order. The hon. Gentleman's speech may be more relevant on a later amendment.

Mr. Crouch: In a debate such as this one says many things that would be relevant at a further stage. I understand that. We need plenty of time to debate this significant Bill. The House knows that I have been calling on the Minister to make speeches on this subject for the past three months, and he has made speeches.

Mr. Cash *rose*——

Mr. Crouch: No, I must proceed, and I wish to observe Mr. Deputy Speaker's injunction.

I was not aware that the Minister was trying to catch your eye, Mr. Deputy Speaker, but if he is, I shall give him the opportunity to speak.

Hon. Members: Hear, hear.

Mr. Crouch: That is an extremely encouraging response from my hon. Friends.

2.15 pm

Mr. Wigley: Would the hon. Gentleman clarify one aspect of his remarks? I have been following his speech with close interest. Does he suggest that someone in possession of a dead embryo or one that is in the process of dying could be guilty of an offence under the Bill, unless there is clarification of the status of the embryo? If that is what he is saying, he is opening——

Mr. Deputy Speaker: Order. The status of the embryo does not arise in the amendments that we are discussing.

Mr. Wigley: With respect, Mr. Deputy Speaker, the question whether a dead embryo is covered by the amendment is critical. It is extremely important to the interpretation——

Mr. Deputy Speaker: Order. I have reminded the House that there are other amendments, which seem to be much more relevant and which, under our rules, we should not anticipate. I have so ruled.

Mr. Crouch: The hon. Member for Caernarfon (Mr. Wigley) makes an important point. The Bill is imprecise, and that is why we must ensure that it does not reach the statute book.

When you told me earlier, Mr. Deputy Speaker, to stay within the confines of these amendments, I was saying that, if embryos are placed in the appropriate preservative for microscopy or are subjected to biochemical or chromosomal analysis, information may be revealed as to why an embryo arrested during development and became non-viable. One may regard that as an early mini-post mortem with exactly the same motives as though it were performed on a dead adult or foetus. The information gleaned might enable medical scientists to prevent cleavage arrest occurring in other embryos and thus improve success at in vitro fertilisation and embryo replacement. It may also provide clues to the mechanism that may cause spontaneous miscarriages.

We need to know all those things, but we shall not know them through the Bill. If the Minister wishes to speak at this late stage, I shall willingly curtail my remarks. All that I am saying is that we must know much more precisely what is permitted under the Bill. It is not clear as it is drafted.

Mr. Dalyell: On a point of order, Mr. Deputy Speaker. The proposer of the Bill—one of the great procedural experts of the day with whom I would hesitate to tangle—said clearly that the short title was not part of the Bill. However, clause 2(1) on page 3 of the Bill states:

"This Act may be cited as the Unborn Children (Protection) Act 1985."

[Mr. Dalyell]

I submit to you, Sir, that the short title of a Bill is part of that Bill. Certainly it is the understanding of the hundreds of people who have written to many hon. Members. They start by saying:

"As you may know, the report stage"—

Mr. Deputy Speaker: Order. The hon. Gentleman has made his point and I understand it. The short title is part of the Bill.

Mr. Dalyell: Further to that point of order, Mr. Deputy Speaker——

Mr. Deputy Speaker: Order. The hon. Gentleman complained that someone said that the short title was not part of the Bill, and he asked for my advice. I thought that I gave him the answer that he wanted. Yes, the short title is part of the Bill. Nothing further arises.

Mr. Dalyell: It is not just that someone said it; the proposer of the Bill said it.

Mr. Deputy Speaker: Order. Whether it was the proposer of the Bill or anyone else, I hope that I have put the matter beyond doubt. I do not see how any further point can arise. I do not understand why the hon. Gentleman should persist in this when many hon. Members are waiting to address the House.

Mr. Frank Dobson (Holborn and St. Pancras): I shall address the House briefly on two topics, one of which was certainly not mentioned by the right hon. Member for South Down (Mr. Powell). One of the reasons why Members on both sides support the amendment to insert the word "knowingly" is that certain processes can accidentally lead to the creation of an embryo, and that embryo is not intended for placement in a specified woman.

Techniques for testing ova and sperm involve bringing the two together without the intention of creating an embryo. For the sake of argument, let us accept that the crucial point in the creation of life is the making of the embryo. I personally do not accept that, but that is what the right hon. Gentleman and the supporters of the Bill are so concerned about., I hope that all right hon. and hon. Members agree that when an embryo is created by accident as a result of action taken in good faith when testing an ovum or sperm, the person who creates the embryo should not be obliged to put it into a woman.

Those responsible for running an infertility clinic might have doubts about the capacity of a man's sperm to penetrate the ovum of a particular woman, so it is then necessary and proper to do tests. Anyone who says that he does not object to in vitro fertilisation must accept that as proper and reasonable. Tests can determine whether that form of penetration is possible. If it is not, the in vitro fertilisation procedures are irrelevant until something can be done either to the ovum or to the sperm.

It might be necessary to take sperm from someone not intended to be the father of a child to see whether it has the capacity to penetrate a particular woman's ovum. The scientists and the woman concerned need to know whether something is wrong with the ovum. Such procedures should not be inhibited.

If the Bill remains as drafted, some honest, decent, humane clinician who carries out a test which by accident creates an embryo should not be obliged to insert that embryo into a woman. That would be absurd. I hope that the House will accept the amendments.

Mr. Kevin Barron (Rother Valley): Is not my hon. Friend saying that the Bill will effectively stop all research and make in vitro fertilisation almost impossible?

Mr. Dobson: I would go further. *[Interruption.]* I do not know whether the hon. Member for Berwick-upon-Tweed (Mr. Beith) has been listening, but this is not a facile matter. It involves the fertility of many women who are desperate to become fertile. We do not want facile contributions from the hon. Gentleman.

It is not a question even of research. The sort of tests that I have been talking about are vital to the continuation of existing in vitro fertilisation techniques. When people go to an infertility clinic, humane, caring and responsible doctors have to carry out such tests if they are to do their job responsibly. It would not be proper for the House to countenance anything that inhibitied them from doing their job humanely and properly.

Ms. Harman: Does my hon. Friend agree that the right hon. Member for South Down (Mr. Powell) has not given the House a single reason why the Bill should depart from the normal criminal law, that the definition of an offence must include the intention to have committed that offence? It is part of the flavour of the hysteria and irrationality of the Bill that the right hon. Member for South Down counsels us not to accept an amendment which would simply put this criminal offence on all fours with other criminal offences.

Mr. Dobson: I agree with my hon. Friend. Indeed, it is not a question of intending to do something that proves to be unlawful. Without any concept of lawfulness or unlawfulness, clinicians might find themselves in possession of embryos that they had created by accident.

Mr. Thurnham: Does the hon. Gentleman accept that research is important, because only one in 10 embryo implantations succeeds? The House should try to improve the chances of embryo implantation succeeding and not prevent the possibility of achieving an improvement.

Mr. Dobson: I agree with that extremely valid and reasonable point. The hon. Gentleman made many similar points in Committee.

Amendment No. 3 seeks the removal of the word "procure" and the substitution of "cause." The right hon. Member for South Down has explained that that proposition was considered in Committee and that he was convinced by our arguments against the use of "procure." He said that if he could come up with a better word, he would do so.

The right hon. Gentleman had the courtesy to write to me to say that he had not been able to come up with a word that met his requirements. Therefore, I hope that he will appreciate that as we——

Mr. D. N. Campbell-Savours (Workington): Will my hon. Friend give way?

Mr. Dobson: Not at the moment.
In view of the fact that——

Mr. Campbell-Savours: Will my hon. Friend give way?

Mr. Dobson: Not at this point.
In view of the fact that——

Mr. Campbell-Savours: Is the Labour Front Bench talking out the Bill?

Hon. Members: Yes.

Mr. Dobson: In view of the fact that——

Mr. J. Enoch Powell: On a point of order, Mr. Deputy Speaker.

Mr. Dobson: In view of the fact that the right hon. Gentleman——

Mr. Deputy Speaker: Order.

Mr. Powell *rose in his place and claimed to move*, That the Question be now put.

Question put, That the Question be now put:—

The House proceeded to a Division——

Dr. M. S. Miller *(seated and covered):* On a point of order, Mr. Deputy Speaker. This is an important subject. There have been few speakers in the debate, none of whom was out of order. I resent the fact that the closure has been put when many hon. Members wish to speak.

Mr. Deputy Speaker: Order. We have been debating the amendment for approximately one and a half hours. It is for the House to decide whether it should bring the debate to a conclusion. I do not decide. The House decides. I merely give the House the chance to make its decision.

Dr. Miller *(seated and covered):* Further to that point of order, Mr. Deputy Speaker. It is for the House to decide, but it is for you, Mr. Deputy Speaker, to decide whether to accept the closure.

Mr. Deputy Speaker: Is is for the House to vote upon whether it wishes to proceed to a conclusion on the matter before the House.

Mr. Wigley *(seated and covered):* Further to that point of order, Mr. Deputy Speaker. When the hon. Member for East Kilbride (Dr. Miller) raised his point of order a few moments ago, he said that a number of hon. Members wished to speak in the debate. In those circumstances, why did you accept the closure before hon. Members, some of whom had tabled amendments, had been called to speak?

Mr. Deputy Speaker: If it became the practice of the Chair never to accept a motion for closure when there were still hon. Members wanting to address the House, we should never have closure motions. They would become superfluous.

Mr. Dobson *(seated and covered):* On a point of order, Mr. Deputy Speaker. I apologise for my ludicrous appearance which is required by the rules of the House. This situation seems to some Opposition Members curious and contrary to order. When we debated an amendment in Committee, the right hon. Member for South Down (Mr. Powell) gave an undertaking to try to come up with an amendment that met our requirements. He failed to do so. We have had no opportunity to make one point in favour of the amendment that we originally tabled. That seems contrary to the spirit of a Report stage which gives the House the opportunity to consider things that happened in Committee and to do something about them.

Mr. Deputy Speaker: I do not believe that any of those matters are points of order. The Report stage of any Bill is not open-ended so that every possible amendment can be tabled and every speaker heard.

Mr. Crouch *(seated and covered)*: Further to that point of order, Mr. Deputy Speaker——

Mr. Deputy Speaker: Order. I have to tell the House that no tellers have been appointed for the Noes. I therefore declare that the Ayes have it.

Question put accordingly, That the amendment be made:—

Mr. Wigley: That is a disgrace.

The House proceeded to a Division—

Mr. Dobson *(seated and covered)*: On a point of order, Mr. Deputy Speaker.

The House having divided: Ayes 82, Noes 157.

Division No. 197] **[2.35 pm**

AYES

Abse, Leo
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Benn, Tony
Bidwell, Sydney
Bottomley, Mrs Virginia
Brown, Hugh D. *(Provan)*
Callaghan, Jim *(Heyw'd & M)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clay, Robert
Clwyd, Mrs Ann
Cohen, Harry
Corbyn, Jeremy
Couchman, James
Cox, Thomas *(Tooting)*
Crouch, David
Dalyell, Tam
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dobson, Frank
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Fatchett, Derek
Fields, T. *(L'pool Broad Gn)*
Flannery, Martin
Foot, Rt Hon Michael
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
Harman, Ms Harriet
Heffer, Eric S.
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Stuart *(Vauxhall)*
Howell, Rt Hon D. *(G'ldford)*
Howells, Geraint
Hoyle, Douglas
Jackson, Robert
Jenkins, Rt Hon Roy *(Hillh'd)*
Kershaw, Sir Anthony
Leighton, Ronald
McKelvey, William
Maclennan, Robert
McWilliam, John
Madden, Max
Maples, John
Maynard, Miss Joan
Michie, William
Mikardo, Ian
Miller, Dr M. S. *(E Kilbride)*
Miscampbell, Norman
Mitchell, Austin *(G't Grimsby)*
Morrison, Hon C. *(Devizes)*
Nellist, David
O'Neill, Martin
Orme, Rt Hon Stanley
Ottaway, Richard
Park, George
Parris, Matthew
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Ross, Stephen *(Isle of Wight)*
Sackville, Hon Thomas
Sedgemore, Brian
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Sims, Roger
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Soley, Clive
Spearing, Nigel
Spencer, Derek
Squire, Robin
Stradling Thomas, J.
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Thurnham, Peter
Wiggin, Jerry
Wigley, Dafydd

Tellers for the Ayes:
Mr. Kevin Barron and
Mr. Willie W. Hamilton.

NOES

Adams, Allen *(Paisley N)*
Aitken, Jonathan
Alison, Rt Hon Michael
Alton, David
Amess, David
Anderson, Donald
Beggs, Roy
Beith, A. J.
Bendall, Vivian
Benyon, William
Biffen, Rt Hon John
Blackburn, John
Bonsor, Sir Nicholas
Braine, Rt Hon Sir Bernard
Bray, Dr Jeremy
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Cash, William
Chapman, Sydney
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr David *(S Shields)*
Clark, Sir W. *(Croydon S)*
Clarke, Thomas
Clegg, Sir Walter
Corrie, John
Cowans, Harry
Cranborne, Viscount
Cunliffe, Lawrence

Davies, Rt Hon Denzil *(L'lli)*
Dicks, Terry
Dixon, Donald
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Dykes, Hugh
Eadie, Alex
Eggar, Tim
Eyre, Sir Reginald
Favell, Anthony
Finsberg, Sir Geoffrey
Forsythe, Clifford *(S Antrim)*
Fox, Marcus
Galley, Roy
Garel-Jones, Tristan
Greenway, Harry
Gregory, Conal
Ground, Patrick
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, James *(M'well N)*
Hamilton, Neil *(Tatton)*
Harrison, Rt Hon Walter
Harvey, Robert
Hayes, J.
Hayhoe, Barney
Hirst, Michael
Home Robertson, John
Hordern, Peter
Howard, Michael
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Hume, John
Hunter, Andrew
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Key, Robert
Kilfedder, James A.
King, Roger *(B'ham N'field)*
Knight, Mrs Jill *(Edgbaston)*
Lambie, David
Lang, Ian
Lawrence, Ivan
Lloyd, Peter. *(Fareham)*
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McCrea, Rev William
McCurley, Mrs Anna
McCusker, Harold
McGuire, Michael
MacKenzie, Rt Hon Gregor
Maclean, David John
McNamara, Kevin
Maginnis, Ken
Major, John
Malins, Humfrey
Marshall, David *(Shettleston)*
Mates, Michael
Mawhinney, Dr Brian
Merchant, Piers
Millan, Rt Hon Bruce
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Moynihan, Hon C.
Murphy, Christopher
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Nicholson, J.
Normanton, Tom
Oakes, Rt Hon Gordon
O'Brien, William
Paisley, Rev Ian
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Powell, Rt Hon J. E. *(S Down)*
Powley, John
Rees, Rt Hon Peter *(Dover)*
Rhys Williams, Sir Brandon
Robinson, P. *(Belfast E)*
Roe, Mrs Marion
Ross, Wm. *(Londonderry)*
Rossi, Sir Hugh
Rowlands, Ted
Rumbold, Mrs Angela
Sainsbury, Hon Timothy
Shelton, William *(Streatham)*
Silvester, Fred
Smith, Sir Dudley *(Warwick)*
Smith, Rt Hon J. *(M'kl'ds E)*
Smyth, Rev W. M. *(Belfast S)*
Speed, Keith
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, John
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Rt Hon D. *(W Isles)*
Taylor, Rt Hon John David
Taylor, Teddy *(S'end E)*
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, J. *(Wansbeck)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Tracey, Richard
Vaughan, Sir Gerard
Wakeham, Rt Hon John
Walker, Cecil *(Belfast N)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Watts, John
White, James
Williams, Rt Hon A.
Wilson, Gordon
Winterton, Mrs Ann
Winterton, Nicholas
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Ian Campbell and
Mr. Peter Bruinvels.

Amendment negatived.

Mr. Deputy Speaker: Further consideration, what day?

Mr. J. Enoch Powell: No day named.

Parliamentary Questions (Replies to Members)

2.44 pm

Mr. Tony Blair: (Sedgefield): On a point of order, Mr. Deputy Speaker. My point of order concerns both the rights and privileges of Members of Parliament, and the record of the House. When I have outlined the matter, I think that you will agree, Mr. Deputy Speaker, that it is perhaps an extremely serious and, indeed, disgraceful episode.

On Monday I tabled a parliamentary question to the Chancellor of the Exchequer asking, in particular, whether there had been any disclosure of departures from normal banking practice in the Bank of England's inquiries into Johnson Matthey Bankers. Yesterday, a reply was sent to the House of Commons and was lodged in the *Hansard* office. A reply was also put on the Letter Board in the Members' Lobby, under my name. Copies of that reply were also put in the Press Gallery. Later yesterday, a Treasury official came to the House and withdrew those original replies. In particular, he withdrew the reply that appeared under my name on the Letter Board in the Members' Lobby, and substituted for it an answer saying that I would be given a reply in due course.

I am told that it has been accepted that that substitution and tampering with my mail actually took place. The immediate question is on whose instructions that tampering with my mail took place. I am informed—and I should be grateful, obviously, for confirmation of this — that it occurred subsequent to telephone conversations between the Treasury in London and Bonn. This morning, the record of the House appears not with the original reply, which was lodged in the *Hansard* office but with the substitute reply, saying that I would receive a reply in due course.

I ask you, Mr. Deputy Speaker, to rule on two separate points of order. First, I ask you to rule on whether the record of the House can stand with the substituted reply or whether the original reply should not be put in the record of the House as the true reply. Secondly, I ask you to rule on whether my rights as a Member of Parliament, and in particular my right to have my mail freely left in my possession, have been tampered with and whether there is action that can be taken on this issue.

You will be aware, Mr. Deputy Speaker, that this issue is obviously extremely serious, because of the way that these replies have come out and, in particular, because of the quite direct concealment of an original reply and its replacement with a reply that was less forthcoming. I seek your ruling.

The Financial Secretary to the Treasury (Mr. John Moore): Further to that point of order, Mr. Deputy Speaker. I unreservedly apologise through you, Mr. Deputy Speaker, to the House. My Department acted in good faith in seeking to recover answers that had been sent over in error without the authority of any Minister. If a breach of the rules of the House has occurred, it was unintentional and is regretted. On behalf of our staff, I unreservedly apologise to the House.

Mr. Dennis Skinner (Bolsover) *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Order. Notwithstanding what the Minister has said, Mr. Speaker will doubtless look into the matter. Perhaps it is sensible to leave the matter there.

Mr. Skinner: Further to that point of order, Mr. Deputy Speaker. When Mr. Speaker inquires into this issue, I hope that it will be pointed out to him that one of the root problems that has resulted in tampering with the mail of my hon. Friend the Member for Sedgefield (Mr. Blair) is that the Government have consistently refused to divulge the report of the inquiry into Johnson Matthey Bankers. It would be extremely helpful if that could be drawn to Mr. Speaker's attention. When we get hold of that report and find out that some of the Government's Tory friends were involved in that crooked dealing, we shall know why my hon. Friend's mail was tampered with——

Mr. Deputy Speaker: Order. The content of ministerial replies is not a matter for Mr. Speaker.

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Deputy Speaker. Is it the view of Ministers that the Treasury official who did this should tell the truth and should be had up in court No. 2 at the Old Bailey?

Mr. Deputy Speaker: Perhaps we should get on.

Private Members' Bills

SOLICITORS (INDEPENDENT COMPLAINTS PROCEDURE) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 17 May.

MINIMUM WAGES ETC. BILL

Order for Second Read.ing read

Hon. Members: Object.
Second Reading deferred till Friday 10 May.

NORTHERN IRELAND (TERMINATION OF JURISDICTION) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker (Mr. Harold Walker): Second Reading what day? No day named.

RECREATIONAL GARDENING BILL *[LORDS]*

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 5 July.

HORSES AND PONIES BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 10 May.

WORKING CONDITIONS OF GOVERNMENT TRAINEES BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 10 May.

PROTECTION OF THE RIGHTS OF THE ELDERLY IN HOME OWNERSHIP BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 10 May.

Statutory Instruments, &c.

Mr. Deputy Speaker (Mr. Harold Walker): With the leave of the House, I shall take both motions together.

ENERGY

Ordered,

That Mr. Gerald Malone be discharged from the Energy Committee and Mr. Spencer Batiste be added.—*[Mr. Fox, on behalf of the Committee of Selection.]*

TRANSPORT

Ordered,

That Mr. Harry Cowans be discharged from the Transport Committee and Mr. David Marshall be added.—*[Mr. Fox, on behalf of the Committee of Selection.]*

Urban Renewal, Easterhouse

Motion made, and Question proposed, That this House do now adjourn.—[*Mr. Garel-Jones.*]

2.51 pm

Mr. Hugh Brown (Glasgow, Provan): Even after 21 years in the House I still find the business on a Friday quite baffling on occasions. However, I am not so naive as to think that the attendance in the Chamber 10 or 15 minutes ago was in anticipation of my Adjournment debate. I am content with the presence of the appropriate Minister, who will be replying. I shall be directing myself to the economic development that is needed in Easterhouse, and I am happy that the Minister and I have the Chamber more or less to ourselves.

It is 20 years ago since I raised an Adjournment debate on Easterhouse. Having committed myself to initiating another one, I thought that I should read what I said 20 years ago. I found that it was a good speech, naturally, but it made depressing reading because I am still asking for some of the things for which I was asking 20 years ago. That is one of the slightly depressing features of the debate.

I have already advised the Minister that I shall refer to a few figures that have been taken from various documents, including the Easterhouse local plan discussion document draft, the city of Glasgow district council joint social and economic initiative for Easterhouse, Strathclyde regional council economic trends No. 8 of April and the CES report. The last report is a rather interesting research survey carried out by Glasgow district council, which is one of the client groups. Lastly, I shall refer to figures that are contained in a document on health education in areas of multiple deprivation. As the Minister knows, I am putting these sources on the record as a matter of convenience. The area that will feature in this debate is described in the local planning document. It is smaller than those which form some of the joint initiatives between Glasgow and Strathclyde. The officials who, I hope, read the report of the debate will be aware of the difference. However, that is a minor matter.

The area that is the subject of the debate is defined in the local planning document. It has a population of about 40,000. I am aware that the Minister will not know all the details of the Easterhouse area. I say that in no disrespect, because I do not know all the details of parts of his constituency. However, it seems that many of those who have responsibility for making decisions—this comment is not confined to those in the Scottish Office—do not know the details of the areas for which they make decisions. In Easterhouse, there are 22 primary schools, four secondary schools, eight nursery schools, eight special schools and three community centres. That illustrates the size of the area or community that I am describing. However, Easterhouse lacks so many of the services and facilities that would normally be associated with a town of similar size.

What are the problems? One of the most intractable is unemployment. Until last month, the average level of unemployment in Great Britain was 13·7 per cent. The Scottish figure is 16·1 per cent., that for Strathclyde is 18·9 per cent. and in Easterhouse it is 31·9 per cent. Male unemployment in Easterhouse is more than 40 per cent. I am sure that the Minister knows that in Eastwood it is only 6·6 per cent.

I am not one of those members of my party who think that the Prime Minister and the Cabinet have set out to create unemployment. The Cabinet cannot solve the problem of unemployment, but that is different from accusing opponents of creating unemployment. However, the unfairness in the levels of unemployment and in the treatment of people is seen to be remarkable when the figures are put in that context. It is sheer chance that Eastwood is included in the Strathclyde report. I did not pick it out to embarrass the Minister, but it so happens that it has the lowest unemployment figure in Strathclyde, and it tells a story about the difference between even the areas in the Strathclyde region.

There is serious overcrowding in Easterhouse, strange though that may seem in a public sector housing scheme. The overcrowding is about the worst in the whole country. There are social reasons for that which I do not have time to go into in this brief debate. However, there are twice as many families of two parents and more than four children in Easterhouse as there are in the city as a whole. There are three times as many single-parent families in Easterhouse as there are in the city as a whole. As for infant mortality rates, 46 babies per thousand die in their first year in this area, and that compares with a figure of 11 in Bishopbriggs. Effectively, through our own collective indifference, the community is not prepared to give the opportunity even for life to some of the babies born of deprived parents in the Easterhouse area.

We have just concluded a long debate about the protection of unborn children. I wish that society showed more concern for some of the babies who are born but who, for reasons of social deprivation and others, do not live beyond a year.

The immunisation take-up rate is less than 50 per cent., yet the average is more than 80 per cent. What is more, 50 per cent. of all secondary school children in the area receive free school meals. Car ownership is extremely low. There are hardly any professionals. The health of the community generally is not good.

The health report says:

"people in deprived areas may have a sense of apathy and isolation from the rest of society and indeed from services which are provided for them."

I do not need a high-powered team of health administrators and sociologists to tell me that there is a feeling of isolation in the minds of people in such an area from the services which are available because in my opinion they are over-suspicious of authority.

I think that I have established the need for urgent action, so what am I asking the Minister to do? Much has been done. I recognise that a lot of money has gone into the area. However, I quarrel with the Scottish Office about the decision on EEC poverty money. I know that it is only £95,000 a year for four years and that the official reply is that it is not worth the bother of inviting applications for that money from a large range of voluntary and statutory bodies. However, that could be indicative of the feeling of hopelessness in many communities. There are some professionally motivated agitators who fasten on to these matters—I am not one of them—because they recognise that here is money which is not being made available to add to some of the improvements already under way.

I recognise the existing efforts — for example, the successful urban aid projects, such as the Easter festival society, the Easterhouse project, the committee on drug abuse—the Scottish Office has given money to that—

the Scot-Bic initiative—about which the Minister knows —the Glasgow district and Strathclyde regional joint initiative, the development by Crudens and Barratts—the Minister knows I have no ideological feeling about that —and other things in the pipeline such as the Barlanark community trust, the Barlanark part-value co-operative and the Provan community amenity trust.

I am not complaining that within the traditional dishing out of money—whether urban aid or other grants—the area has not had its share. However, because of its problems, it is high time that we all address ourselves to what sort of new authority is required to deal with a huge peripheral scheme like Easterhouse.

There are urban development corporations for England and for Wales, but not for Scotland—although I am not complaining that anyone is discriminating against Scotland. Scotland has new town development corporations. Why should we not have something like that in this area? We need a new authority.

A new body—the Committee for Action in Towns—has been set up for areas of England and Wales to study the problems of city conurbations — for example, Manchester, Birmingham, Newcastle and London. Scotland has nothing comparable.

I am delighted that the Minister is to reply to the debate because I specifically wish to mention GEAR and SDA involvement. GEAR has been in existence since 1976 and will carry on for a couple more years. However, it is inevitable that its responsibilities will diminish over those two years. It has been in Motherwell, Coatbridge, Leith, Dundee and, in its last big initiative, in Inverclyde. The Minister knows that I have some experience in this area. It is right to ask the SDA to tackle the problems of a large peripheral area. It is a challenge to the Scottish Office. We should be first in the field, as we were with GEAR. The Secretary of State for Defence, when he was Secretary of State for the Environment, copied many of the initiatives in Glasgow.

The area development director of GEAR should be ready and, I hope, willing—with a little encouragement from the Scottish Office—to consider becoming more heavily involved. It needs encouragement. Direction is not the word, because that is not how these things are done. It would not be wrong for the Minister to give me a commitment at least to look at that possibility. I am not demanding that he does so, because I am too long in the tooth for that. It must be done diplomatically if we are to carry people with us — such as the authorities, the regions, the Housing Corporation, the health boards, and so on. All those statutory bodies need to become involved in the new structure that I think is badly needed.

The SDA is already involved through the Queenslie industrial estate. There is a need for industrial development, with special references to specific matters such as Springhill farm.

There is certainly need for the development of the shopping centre. I should have thought that, for phase two and associated developments, the SDA was ideally suited to become involved—perhaps with a mixture of private and public money. As I said, I am not making an ideological case. Commercial opportunities exist, and the SDA should be making a contribution. Indeed, we could even do with a bingo hall.

Sites are zoned for private housing. In other words, a combination of industry, commerce, the shopping centre and private housing development presents a great deal of potential in areas which are within the remit of the SDA. In the old GEAR area the same opportunities did not exist. In other words, there is no dereliction to get rid of before rebuilding can start.

When, a couple of months ago, the Secretary of State for the Environment announced the establishment of city action teams, it was clear that that was another attempt by the Government to apply direction, guidance or initiative —call it what one will—to developments in England and Wales. I make no apology for the fact that I am indulging in some special pleading for an area that is recognised as being one of the — if not the — most deprived areas in the country.

I hope that the Minister will regard the special pleading in which I am indulging as a challenge to use the influence of the Scottish Office to make some progress in the area. I appreciate that the Under-Secretary has problems, not least with education authorities, and that this may not be the right time to be asking authorities to co-operate in a new initiative. Nevertheless, I urge him to give sympathetic consideration to the idea of establishing a new authority which could create tremendous opportunities in the area, and, above all, give hope to the people who live there.

3.7 pm

The Parliamentary Under-Secretary of State for Scotland (Mr. Allan Stewart): I congratulate the hon. Member for Glasgow, Provan (Mr. Brown)——

Dr. M. S. Miller (East Kilbride): Before the Minister replies to the debate, will he permit me a brief comment?

Mr. Deputy Speaker (Mr. Harold Walker): Order. Does the hon. Member have the consent of his hon. Friend and the Minister?

Mr. Brown: Yes, Mr. Deputy Speaker.

Mr. Deputy Speaker: So be it.

Dr. Miller: I support strongly the remarks of my hon. Friend the Member for Glasgow, Provan (Mr. Brown). As the Minister will be aware, I represent a town which has a development corporation. He will also be aware that in, for example, the city of Glasgow—the same can be said of other areas—large housing schemes were developed and built without satisfactory facilities having been provided. In other words, many such housing schemes were undesirable from the beginning, not from the housing point of view but because of a general lack of amenities.

In referring to areas such as Easterhouse, we are speaking of places equivalent to relatively large towns, but without the amenities that similar conurbations have. I hope that the Minister will consider seriously the request of my hon. Friend, who does not have a particular axe to grind in the matter, and help to make the area worth while for the people who live there. My hon. Friend pointed out that it has been done before in the Glasgow area. Let us develop in Easterhouse the kind of urban facilities that are needed.

3.9 pm

Mr. Allan Stewart: I repeat my congratulations to the hon. Member for Provan on initiating the debate. He put forward in a fair way the problems of Easterhouse and provided the House with a great deal of useful information.

I shall start with the theme of the hon. Member for East Kilbride (Dr. Miller). The difficulties of Easterhouse, as

[Mr. Allan Stewart]

the hon. Member for Provan also said, are typical of the problems of housing estates everywhere. It is a sad irony that the Easterhouse estates were built in the 1950s and 1960s with the best of intentions to provide higher standards of housing for those who were displaced by the massive slum clearance programmes in the city centre. What seemed a solution then has become a major problem in its own right.

The hon. Member for Provan referred to the many reports and information about Easterhouse. I refer him to the Scottish Office central research unit's paper, published last October, which deals with areas of special need in Scotland. It classified every neighbourhood in Easterhouse as an area of special need, and placed 25 per cent. of Easterhouse in the worst 1 per cent. in Scotland for multiple deprivation. That analysis is intended to help local authorities to identify areas for priority treatment, and to help with the formulation and evaluation of area-based policies for tackling deprivation.

We have all learnt that there are no magic solutions to urban deprivation. As the hon. Gentleman knows, it is easier to talk than to achieve. We must encourage in Easterhouse a viable local economy, an adequate range of job and social opportunities, adequate local amenities and, above all, a more balanced community. To cover the spectrum of community regeneration, we need a wide range of responses from a wide range of bodies, such as central and local government, the voluntary and private sectors and the community.

The hon. Gentleman referred fairly to assistance to areas such as Easterhouse. Urban programme support for projects in Easterhouse has cost between £400,000 and £500,000 annually. That is significant in terms of total urban programme resources, and reflects the continuing commitment of the Scottish Office to support for Easterhouse. As the hon. Gentleman knows, a wide range of projects have been supported—a day nursery, a day centre for the elderly, the Easterhouse festival society and the Easterhouse summer festival. General emphasis is on improving the quality of life of the local residents and on fostering a community spirit. I assure the hon. Gentleman that we expect to be able to continue new local authority and voluntary sector initiatives in the Easterhouse area with urban programme resources.

The hon. Gentleman referred to the problems of housing and the distribution of resources available for capital investment in housing in the city of Glasgow. That is a matter for the district council. It clearly recognises that Easterhouse is a priority area.

Increasing the levels of public sector finance is not the only way forward for Easterhouse. A homesteading project, involving the sale and renovation of 216 houses, has already been successfully completed. That was a step towards varying the pattern of tenure within Easterhouse. The South Rogerfield development is a further private sector project. Private developers have moved in to commence the rehabilitation of tenement blocks in an imaginative scheme which also involves the new build of sheltered and general needs housing.

A variety of other possible ventures, either tried and tested in other areas or still at the planning stage, may contribute to improving the housing fabric and environment. There is a range of ways in which the private sector can be involved in rehabilitation and development. The establishment of many forms of co-operatives has proved to be a successful way of involving the community in improving the area.

The hon. Gentleman referred to the provision of health services. The main element in the board's strategy to meet the health needs of areas of multiple deprivation has been the health centre building programme, and he will know that the health centre for Easterhouse was included in that programme and completed in 1983. I also draw his attention to the fact that the Greater Glasgow health board participates with the regional council in a joint working group on health and deprivation. The group has recently undertaken a review and monitoring exercise of the provision of community services to the greater Easterhouse area.

The hon. Gentleman concentrated on the economic problems of Easterhouse. To deal with his point about the poverty programme, I should say that my hon. Friend concluded, reluctantly, that the limited potential benefits to Scotland of the programme were not outweighed by the substantial disadvantages.

The hon. Gentleman mentioned the Scottish Development Agency, which is involved in two ways, first, through the Greater Easterhouse partnership. That is an experimental self-help scheme involving the private and public sectors, which seeks to combat economic, social and environmental problems by involving the local community. It is 50 per cent. financed by the business community, with the balance shared among the district, the region and the agencies. I welcome in principle the establishment of that partnership, which represents a potentially valuable addition to the framework of resources available in the area, with special reference to the wider initiative proposed by the local authorities.

The hon. Gentleman also referred to the agency's involvement in industrial premises. The hon. Gentleman referred to the Glasgow eastern area renewal project, which has been a considerable success. The Government have sustained their commitment to it. We are beginning to draw the lessons from GEAR, and evaluation will continue during the next few years. One main lesson is that it is impossible to overvalue the importance of a co-ordinated and strategic approach. The active co-operation of a wide range of agencies is crucial, and that was the main theme of the hon. Gentleman's speech. Secondly, it is vital to consult and involve local communities and businesses, because they are the people who live in the area. Thirdly, there is in Glasgow a strong civic pride that helps to unite the disparate interests of the public and private sectors and enables a strategy that seeks to harness the enterprise of local firms and other forms of self-help initiative. All this is bound to be relevant to initiatives in other areas. Future initiatives need not be carbon copies of the Glasgow project, because circumstances vary from area to area.

An important initiative has been taken by Strathclyde regional council and Glasgow district council, which are currently working out plans for a joint initiative in Easterhouse. It will involve taking action to reduce unemployment and poverty, improve health and housing conditions and improve the quality of services and facilities. Both councils have committed themselves in principle to the initiative, and I confirm that discussions are continuing with the local community to prepare a detailed programme of action.

In response to the general theme of the hon. Gentleman's speech, it is important to remember that the councils aim to involve a wide range of other bodies in the initiative. Both the Greater Glasgow health board and the Scottish Development Agency have already agreed to participate and to contribute resources to fund the initiative. The agency's involvement is important. The agency will consider carefully what the hon. Gentleman has said today and will approach the problems positively.

It is particularly pleasing that private sector involvement is also to be sought. There is every reason to expect central Government support in the form of urban programme funding and European Community assistance from the regional development fund and/or the social fund.

All the lessons of the GEAR project show that such an initiative based on pooling a wide range of activities and resources, so that the whole is greater than the sum of the parts, is the best way to tackle effectively the deep-rooted problems in areas such as Easterhouse.

The initiative is important. I can confirm that the SDA will be actively and positively involved. We are talking about priorities within exising expenditure programmes, but there is a general willingness in central Government to make available appropriate assistance and support for the benefit of the people of Easterhouse.

Question put and agreed to.

Adjourned accordingly at twenty-one minutes past Three o'clock.

House of Commons

Tuesday 7 May 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

[PRIVATE BUSINESS]

ROYAL HOLLOWAY AND BEDFORD NEW COLLEGE BILL
[Lords]
Order for Second Reading read.
To be read a Second time tomorrow.

GLENSANDA HARBOUR ORDER CONFIRMATION BILL
Considered; to be read the Third time.

Oral Answers to Questions

EMPLOYMENT

Wages Councils

2. **Mr. Robert Hughes** asked the Secretary of State for Employment what representations he has now received in response to the consultative paper on wages councils.

4. **Mr. Thurnham** asked the Secretary of State for Employment what recent representations he has had about the possible abolition of wages councils.

The Secretary of State for Employment (Mr. Tom King): I have received a number of representations this year on the future of the wages councils system, the majority advocating either abolition or major reform.

Mr. Hughes: Has the Secretary of State seen the survey published yesterday in Manchester, which shows that 43 per cent. of companies visited by wages inspectors were illegally underpaying some or all of their workers? Does the right hon. Gentleman recollect the statement by Winston Churchill when wages councils were first set up, pointing out the benefits of a wages protection system, and saying:

"without such a system the good employer would be undercut by the bad and the bad employer would be undercut by the worst"?

Does not that statement still hold good today? In view of the evidence about the need to strengthen wages councils, will the Secretary of State therefore abandon all plans to abolish them?

Mr. King: The hon. Gentleman knows that I have invited responses to the consultation paper that I issued. I take that to be his response, and I shall take it into account together with the other representations on the matter.

Mr. Thurnham: Does my right hon. Friend agree that when people are put out of work by the activities of wages councils, that is difficult to defend?

Mr. King: There is evidence of jobs being lost through the operation of wages councils, but the other important point is that is it generally agreed that the abolition of wages councils could lead to the creation of a significant number of jobs. That is the advice of the economic adviser to the Leader of the Opposition. He puts a lower figure on it than some, but concedes that it is likely to lead to more jobs.

Mr. Meadowcroft: Are not the conditions for the low paid even more difficult now than they were 70 years ago when the regulations were first introduced? Surely, where there is a large amount of unemployment, the pressures on people at the lower end of the market will be ever more difficult to cope with. Is it not important to maintain some protection to make sure that people are not exploited by the high amount of unemployment?

Mr. King: I note the hon. Gentleman's comments, precisely because I wish to expose all the arguments for and against the existence and reform of wages councils in relation to the consultation paper that I issued. I shall take careful note of the representations that I receive.

Mr. Colvin: Does my right hon. Friend agree that it could be most unwise to abolish wages councils if the unemployed could draw more money on the dole than they were likely to earn if pay were deregulated? Will he therefore give an undertaking to the House, before abolishing wages councils, that he will do something about the so-called "Why work?" syndrome, which at the moment detracts discourages people from trying to earn low pay?

Mr. King: I accept my hon. Friend's point that in certain circumstances the present system acts as a disincentive to employment. It is precisely for that reason that we sought, for example, to tackle the problem of national insurance contributions and make changes in that respect, as well as in tax thresholds, which can help in those areas. However, my hon. Friend will know that that is one other illustration of the way in which the circumstances are substantially different from what they were in 1909.

Mr. Leighton: As the Secretary of State knows, his Department has commissioned some major research from a group of Cambridge economists and researchers. One of its main conclusions was that the wages councils had had no significant effect on employment. Why has the Department not published that major report? When will it be published to inform the present public debate?

Mr. King: I am surprised that the hon. Gentleman asks that question, because the report was made available to him and to other members of the Select Committee some time ago and it is about to be published generally. We intend that the document will be published, if not this week, next week.

Mr. Brandon-Bravo: In considering this most important matter, will my right hon. Friend pay particular attention to redefining the term "adult skill", to open up the market to young adults?

Mr. King: I understand my hon. Friend's point. One of the distinctions that is it interesting to draw is between the more simple form in which the wages councils were set up under the initial concept and the more complex way in which they are formed now. That is one of the many reasons why so many people support reform.

Miss Boothroyed: Is not aiming their guns at the poorest paid in the country a sign of the abject poverty of the Government's approach to reducing the total of 4 million unemployed?

Mr. King: Differing figures are put on the possible increase in employment as a result of such a move, but they could not be ignored by any responsible Government determined to use every effective approach to help solve the biggest problem that we face.

Mr. John Townend: I draw the attention of my right hon. Friend to early-day motion 580 calling for the abolition of the wages councils. Is he aware that it is sponsored by the chairmen of the major Back Bench committees on finance, employment, trade and industry, small businesses and European affairs?

Mr. King: I am aware of my hon. Friend's close interest in this matter and of the early-day motion. We are in the consultation period at the moment, which will close at the end of the month. We shall then give the earliest possible announcement of our decision.

Mr. Evans: Will the Secretary of State acknowledge that the attitude of most Tory Members who call for the abolition of wages councils, particularly those such as his hon. Friend the Member for Bridlington (Mr. Townend), results from the expectation that wages in those sectors will fall, even though the people covered by wages councils' awards are among the lowest paid in the country? Does that not sum up the present mean and savage attitude of the Tory party towards ordinary hard-working people?

Mr. King: There is a much more fundamental problem, which the hon. Gentleman must be prepared to address. In certain instances it can be demonstrated that wages councils keep down rather than put up wages, and I shall be happy to explain that point to the hon. Gentleman. In other sectors there is no doubt that it has led to the loss of jobs and job opportunities. The House must consider carefully whether it can stand aside from reform or abolition if that would lead to a substantial increase in jobs.

Labour Statistics

3. **Mr. John Fraser** asked the Secretary of State for Employment how many people, including school leavers, are now unemployed in Lambeth; and how many of them are black.

The Parliamentary Under-Secretary of State for Employment (Mr. Alan Clark): On 11 April 1985 the number of unemployed claimants, including school leavers, in the London borough of Lambeth was 25,986. A breakdown of unemployment by ethnic origin at local level is not available.

Mr. Fraser: That figure, which is an increase on last month's, is disgraceful. Can the Under-Secretary recall the Minister telling us last month that one of the reasons for the loss of job opportunities in Lambeth was high rates? Bearing in mind that rate capping will lead to the loss of 1,500 to 2,000 jobs, is he calculating that there will be a net gain in jobs as a result of rate capping?

Mr. Clark: The hon. Gentleman represents a constituency in which the council has doubled the rates over the past two years, so he would do better to stay off that subject. As he knows, over the past year both vacancies and placings have risen by as much as 18 per cent. in his constituency.

Mr. Rowe: Is my hon. Friend aware that in Lambeth during the past 10 years the number of members of the chamber of commerce has fallen by more than half, in direct proportion to the increase in rates?

Mr. Clark: My hon. Friend's figures show the decline in the number of small businesses and the fact that employment now depends on the public corporate sector and on the service industries.

5. **Ms. Clare Short** asked the Secretary of State for Employment what are the current numbers of people who have been unemployed for over 12 months.

7. **Miss Maynard** asked the Secretary of State for Employment what are the numbers of people under the age of 25 years who have been unemployed for over 12 months.

Mr. Alan Clark: On 10 January 1985 a total of 1,316,000 claimants had been unemployed for more than one year in the United Kingdom. The number of claimants under 25 years of age who had been unemployed for more than one year was 365,000.

Ms. Short: Does the Minister understand, or care, that those 1·3 million people are suffering the most brutal effects of the Government's deliberate high unemployment policy? They suffer real poverty, because the Government insist that they should live on short-term benefits and will not pay the long-term rate of supplementary benefit. We know from studies that they suffer a high incidence of family break-up, mental illness and suicide. Do the Government suggest that their recent paltry expansion of the community programme is an adequate response to their needs, when it will offer part-time, temporary work at low wages, and then throw the vast bulk of those people back into unemployment? They want real, permanent jobs.

Mr. Clark: The considerable expansion of the community programme by 100,000 places has been widely welcomed. The hon. Lady must face the fact that our policy is to match needs and resources. The proportion by which that is done is a matter for debate, but the Government's approach to the problem was recently endorsed by our partners at the economic summit. Their unemployment is increasing faster than ours.

Mr. Forman: Since a disturbing proportion of the long-term unemployed have been out of work for more than three years—the estimate is about 430,000—do my hon. Friend and the Department intend to make special new efforts to direct programmes to their needs, especially is the area of training and re-training?

Mr. Clark: We shall consider all possibilities. My hon. Friend published an interesting pamphlet on the subject. However, it is impossible to escape the fact that resources are limited and that the Government already spend £2 billion on training and employment measures. If my hon. Friend believes that that total should be increased, he has only to make representations to us.

Miss Maynard: Does the Minister agree that one of the worst scandals is the number of young people who are long-term unemployed? Is he aware that 1·3 million 18 to

25-year-olds are on the scrap heap, that a quarter of those have been unemployed for 12 months, and that nearly half of them have not had jobs since they left school? When will the Government change their policy and give youngsters some hope and the opportunity of making a positive contribution to society by having real jobs?

Mr. Clark: I understand the hon. Lady's indignation, but I must tell her that the figures from her constituency show that the overall percentage of young unemployed has fallen during the past year, as has the number of youngsters aged under 18 in long-term unemployment.

Mr. Lyell: Is not one of the significant aspects of the community programme and other cost-effective programmes, such as the voluntary projects programme, that once people get into work in such programmes their chances of moving to mainstream employment are much better? Therefore, will my hon. Friend encourage further programmes of work in the community, such as helping the frail elderly, so that people may move from such useful employment back into mainstream work?

Mr. Clark: My hon. and learned Friend is entirely right. The scope and complexity of the schemes are being expanded. More than 61 per cent. of participants are aged under 25, and 34 per cent. are aged under 21.

Mr. Kennedy: Given that the Government are fond of claiming that part of the problem of increasing unemployment is people pricing themselves out of work, will the Minister comment on a recent inquiry, sponsored by the Highlands and Islands Development Board, which showed that average earnings in my part of Scotland were between 5 and 10 per cent. below the national average? As unemployment has more than doubled there, where does that leave the Government's economic theory?

Mr. Clark: It is natural that wages should vary from one region to another. The Government have no responsibility for regional variations in wage levels.

Mr. Roger King: Does my hon. Friend agree that one way not to help the unemployed is to indulge in knocking our own products? Will my hon. Friend join me in condemning the Opposition's attitude of throwing into doubt BL's future as a result of scurrilous rumour-mongering that 5,000 jobs in my constituency are at risk, simply because BL will not receive the money for which it has not actually asked?

Mr. Clark: My hon. Friend has highlighted the key factor in reducing the total number of unemployed, which is that British goods should be of the right quality and at the right price to expand production.

Mr. Allan Roberts: Will the Under-Secretary of State come to Bootle to meet the long-term unemployed? Bearing in mind that 30 per cent. of active males in Bootle are unemployed, will he explain to them why, in an area where wages are lower than anywhere else in Britain, and where the metropolitan district council has set the lowest rates in the country, unemployment is still increasing?

Mr. Clark: The reasons have been highlighted in earlier questions. Real jobs will not exist if British manufacturers do not produce the goods to fill their order books.

Training Workshops (Genesis Programme)

6. **Mr. Nicholas Baker** asked the Secretary of State for Employment if he will make a statement about the Genesis programme for training workshops launched by the Manpower Services Commission.

The Minister of State, Department of Employment (Mr. Peter Morrison): The Genesis programme seeks to explore the potential for job creation and revenue generation in training workshops and information technology centres.

Mr. Baker: Does my hon. Friend agree that giving training workshops a more commercial approach in this way has great implications for YTS generally? Will he attend the launch of this scheme today? Will he also expand funding for it in the future, because that would be a great way of producing new jobs?

Mr. Morrison: I agree with my hon. Friend that this is precisely the enterprise ethic that we want to encourage in both information technology centres and training workshops. My hon. Friend will be glad to hear that I shall attend the launch later today.

Mr. Campbell-Savours: Does Genesis receive support from the European Community social fund? In the light of the most recent changes in the allocation rules and the fact that Britian will lose, will the Minister come forward with additional moneys from other sources to compensate for the loss of individual schemes?

Mr. Morrison: As the hon. Gentleman will realise, the premise of his question is incorrect. We are pointing out to the European Community social fund that its rules have not changed and neither have ours. Therefore, there is no loss at this stage on which the hon. Gentleman can base his premise. The Genesis programme is funded by YTS money and, therefore, it does not receive money from the European Community social fund on the margin.

Trade Unions (Ballots)

8. **Mr. Nicholls** asked the Secretary of State for Employment if he will introduce legislation to require that elections for trade union officers take place only by independently supervised ballots.

The Parliamentary Under-Secretary of State for Employment (Mr. Peter Bottomley): The provisions of part 1 of the Trade Union Act 1984 on trade union elections come into effect on 1 October 1985. The legislation will for the first time introduce stringent safeguards concerning, for example, secrecy, freedom from intimidation and malpractice.

Mr. Nicholls: If, as with the Transport and General Workers Union affair, it becomes clear—even within the largest trade unions—that the trade union movement cannot be trusted to conduct fair and independent elections, will my hon. Friend concede that our legislation might have to go further? Will he ensure that those elections take place under independent supervision?

Mr. Bottomley: I think my hon. Friend will accept that independent supervision would virtually rule out workplace ballots, which have a record of far higher participation than postal ballots. I think that every hon. Member would agree that it is up to the trade unions to

ensure that their election procedures develop the trust and confidence that their members expect and that trade union leaders need if they are to carry any credibility.

Mr. Haynes: Is not this response in relation to ballots for trade union officers a bit thick, coming as it does from the Tory Benches? Is the Under-Secretary of State aware that a fair amount of fiddling in the election of Conservative university students has gone on, especially at Durham, not many years ago?

Mr. Bottomley: The answer to the hon. Gentleman's first question is no. I do not have enough information to comment on his second question.

Mr. Leigh: Would my hon. Friend be somewhat worried if people voting in workplace ballots were being handed so-called branch recommendations telling them to vote for candidates which did not mention the fact that they were all members of the Communist party, as has been happening this week in the Civil and Public Services Association elections? Does that not prove the need for independently supervised secret postal ballots?

Mr. Bottomley: It demonstrates the need for moderates to get themselves organised and put up for election. The interesting point about the election to which my hon. Friend referred is that there were three slates of candidates. It will be interesting to see who won.

Mr. Nellist: Given the Minister's and his party's touching, if bogus, concern for democracy, when will he legislate for or promote the introduction of democracy into the Tory party for the election of its chairman or leader, or for the election of newspaper editors?

Mr. Speaker: Order. The question relates to trade union officers. I do not believe that any of the people mentioned by the hon. Member are trade union officers.

Mr. Robert Atkins: Does my hon. Friend recall that the statement made by the hon. Member——

Mr. Nellist *rose*——

Mr. Speaker: Order. The hon. Member for Coventry, South-East (Mr. Nellist) has been here long enough and is ingenious enough to get his question in order. None of the officers whom he mentioned has anything to do with trade unions.

Mr. Nellist: Consider the——

Mr. Speaker: Order.

Mr. Atkins: Is my hon. Friend aware that the legislation which comes into force on 1 October is some of the legislation that the hon. Member for St. Helens, North (Mr. Evans), supported by the deputy leader of the Labour party, said would be repealed following the election of a Labour Government? Does he not think that that is a ridiculous state of affairs?

Mr. Bottomley: Yes, Sir. The Opposition are likely to discover that they will have to change their tune. The evidence shows that almost without exception trade union members want the chance to take part in free and fair elections held without malpractice and intimidation, and with a fair choice of candidates.

Mr. Penhaligon: Does the Minister believe in mass ballots, or, if they take place without independent supervision and scrutiny, that they can ever be above suspicion?

Mr. Bottomley: The hon. Gentleman might consult some of the other members of the alliance, who cheerfully voted against such proposals when they were first put forward. We need to strike the right balance between improved participation and ensuring that election procedures are not just fiddle-proof but incompetence-proof.

Mr. Greenway: Is my hon. Friend aware that I have seen the membership cards of many members of the Transport and General Workers Union in my constituency which were stamped "GS" last June to show that they had voted in the ballot for a new general secretary, although they had never seen a ballot paper or signed or voted? That is something that must be tackled. Will my hon. Friend throw the matter straight back to those members of the Labour party who ask "Where is the evidence"?

Mr. Prescott: The hon. Gentleman should take it to the TGWU if that is his attitude.

Mr. Greenway: I have done that.

Mr. Bottomley: If I may answer, rather than the hon. Member for Kingston upon Hull, East (Mr. Prescott), it is because of such queries that the TGWU has decided to re-run the ballot. My hon. Friend should advise his constituents to take up the matter with TGWU headquarters. I know that Moss Evans wants to investigate any such complaints.

Mr. Skinner: Does the Minister understand that the next Labour Government will have every justification for repealing the laws on trade union ballots and bringing them into line with doctors, lawyers and those sponsored members of the Liberal party and the SDP who are backed by £188,000 from the British School of Motoring?

Mr. Bottomley: No, Sir. It is important to ask ordinary trade union members their views and the procedures that they want. Those unions which have procedures which are above reproach are those which have the greatest support of their members.

Labour Statistics

9. **Mr. Blair** asked the Secretary of State for Employment what are the present numbers of people unemployed; and what were the figures for the same month in 1979.

15. **Mr. Nellist** asked the Secretary of State for Employment what are the current numbers of people unemployed; and if he will make a statement.

Mr. Tom King: On April 1985 the total number of unemployed claimants in the United Kingdom was 3,273,000. The estimate for the same month in 1979 was 1,261,000.

Mr. Blair: Do not those record jobless figures make a mockery of the Government's claim that the economy is recovering? Is the Minister aware that youth unemployment in parts of my constituency is now over 50 per cent.? When will he realise that words about caring, without action to back them up, merely add the insult of insincerity to the injury of mass unemployment?

Mr. King: The hon. Gentleman will note that the figures appear the very day after the best forecast from the CBI for many years. There is a startling improvement in

optimism in industry, an indication that the loss of jobs in manufacturing may be coming to an end, and there are encouraging figures for the creation of new jobs. We still face very real difficulties, especially in areas such as that represented by the hon. Gentleman. However, we need to see both the employment and the unemployment figures in perspective.

Mr. Nellist: Does the Secretary of State not realise that we cannot feed unemployed families on forecasts? They need money from a job. As the figures which the Secretary of State has announced today show a trebling of unemployment during the past six years, does he still hold to the assertion that we are in the fifth successive year of economic growth? What effect on the long-term unemployed does he expect from the proposal to abolish the wages councils? How does lowering the wages of women and youths in hairdressing and other retail trades —wages of £60 or £70 a week—help the nearly 5 million people who cannot get a job in this country?

Mr. King: On the latter point, the hon. Gentleman will have heard the exchanges and will know that there is general agreement that abolition or reform of wages councils could lead to the creation of a significant number of new jobs. The issue that must be decided is whether that is an appropriate way to proceed, which is why we are holding consultations on that matter.

Growth is the vital component if we are to make a real impact on the level of unemployment. I welcome the current forecast that this year we shall have the fastest growth rate in employment of any country in western Europe. In addition, we now have more investment in manufacturing industry as well as in service industries. Obviously, that needs to proceed faster if there is to be a real impact on employment.

Mr. Adley: While accepting that the sneers of the Opposition at the number of new jobs being created are inevitable and predictable, may I ask whether my right hon. Friend has noted that they appear to be running a campaign implying that part-time employment is not only undesirable but anti-social? Does my right hon. Friend agree that, in a modern family, part-time jobs fulfil many people's aspirations? Will he do his best to ensure that, at least in his Department, part-time employment is regarded as a thoroughly proper, sensible and normal attribution of the figures and the information that he provides to the House?

Mr. King: I certainly accept my hon. Friend's comment. It is true that there have been 600,000 more jobs during the past two years, a significant number of which are part-time. However, that conceals and overlooks the fact that there has also been a substantial increase in self-employment. It is clear that there has been an increase in full-time jobs for men as well as for women.

Mr. Wilson: How does the Secretary of State explain the April unemployment figures running at record levels and in defiance of seasonal trends? Does he not know that 40 years after the ending of the second world war, certainly for most people in Scotland, it would be far better if the initials VE stood for victory in employment rather than victory in Europe?

Mr. King: I do not think that there is one hon. Member who does not wish to see a significant improvement in the unemployment problem at the earliest possible moment. We are doing better in that respect than, for example, the Socialist Governments of France and Italy, and I bear that in mind when I hear the easy solutions put forward by the Opposition. I accept that we must do better. All our efforts and some of the changes announced in the Budget are directed precisely towards trying to improve the position.

Mr. Holt: Does my right hon. Friend realise that last week there were 1,000 advertised vacancies in the Thames Valley jobcentre, yet in my constituency there were only 18? What is he doing to improve the flow of information between jobcentres throughout the country, and then to assist people to relocate?

Mr. King: I recognise that there are undoubtedly parts of the country where the greatest problems now are skill shortages and the number of vacancies, whereas in other parts, such as my hon. Friend's constituency, the position is far from that. We are taking steps to improve the information flow so that people have the best opportunity of going where there is employment. However, we obviously want to see an improvement in employment throughout the country, which is the real solution to the problem.

Mr. Tom Clarke: Is the right hon. Gentleman aware that 25 per cent. of those unemployed in Coatbridge, in my constituency, have been without work for two or more years and are desperately seeking jobs? Will he discourage his colleagues from referring to the "Why work?" syndrome and accept that that phrase is grossly offensive and adds insult to injury?

Mr. King: That is apposite to what I said when replying to the supplementary question asked by my hon. Friend the Member for Langbaurgh (Mr. Holt), that there are considerable variations in the employment situation in different parts of the country. It is fair to point out that the greatest number of long-term unemployed in Britain are in London and the south-east. That raises problems, bearing in mind the number of vacancies that exist in the area, about whether there are real disincentives to work involved in the "Why work?" syndrome.

Mr. Phillip Oppenheim: Will my right hon. Friend remind Opposition Members of the increase in the number of people of working age in the last five years and the significant contribution that that increase has made to the unemployment problem?

Mr. King: My hon. Friend is correct to cite that point. Something under 1 million has been the increase in the population of working age. It is clear from the figures that in the last year alone the increase in the labour force was 480,000. We created about 340,000 more jobs, but because the figure for the increase in working population was greater, we continued to have the rise in unemployment.

Mr. Janner: Is the right hon. Gentleman aware that the question asked by my hon. Friend the Member for Sedgefield (Mr. Blair) was not how many claimants there were for unemployment benefit but how many people were unemployed? When will the right hon. Gentleman admit that there are about 4 million people now looking for jobs?

Mr. King: The hon. and learned Gentleman knows —because we have discussed this subject in another forum—that the latest academic study of which I am aware demonstrates that one can, on a perfectly sound

basis, argue that the present level of unemployment is between 1·7 million and 4·1 million, depending on what assumptions one uses. If the hon. and learned Gentleman is saying that unemployment is too high, he need not waste his breath, because I agree with him, and all our efforts are directed towards its reduction.

Mr. Spencer: Does my right hon. Friend agree that in 1979 we inherited rampant inflation and rampant trade unionism, that only by conquering those twin evils have we created an additional 600,000 jobs and that if we were to surrender to those evils, as the Labour party would wish, the results would be disastrous for employment?

Mr. King: Successive industries during the 1960s and 1970s completely lost their competitive edge because they were over-manned and unable to compete in world markets. It has been a major challenge to fight back from that situation. The latest forecast—I make no apology for quoting again the CBI survey — is the most optimistic for a decade in many important respects.

Mr. Prescott: In the pursuit of truth, will the Minister recognise that the figure that he has announced from the Dispatch Box is the highest recorded level of unemployment for 40 years, and even for this century? Does he accept the estimate made by the unemployment unit under Professor Sinfield, that the figures, because of the new way in which they are collated, underestimate the real total by 400,000? In view of the massive unemployment that six years of Tory policies have created, will the right hon. Gentleman consider joining the Secretary of State for Energy in asking for a change in Government policies?

Mr. King: My answer to the first part of the hon. Gentleman's supplementary question, dealing with the figures, is the same as that which I gave to his hon. and learned Friend the Member for Leicester, West (Mr. Janner) — *[Interruption.]* — in deciding whether they should or should not be plus 400,000. Far more important than arguing about the precise statistic is to accept that it is too high.

Mr. Prescott: It is a record——

Mr. King: If the hon. Gentleman keeps shouting his first question when I am trying to answer his second, he is not likely to get answers to either.

The answer to his first question is yes, in April. I have no doubt that the situation is the same in France, Germany and Italy.

Mr. Prescott: Is it a record? Twister.

Community Programme

10. **Mr. Knox** asked the Secretary of State for Employment how many people are in community programme places in Staffordshire.

Mr. Peter Morrison: On 29 March, the latest date for which figures are available, there were 2,550 people working on the community programme in Staffordshire.

Mr. Knox: Does my hon. Friend agree that although community programme places are very welcome, they are no substitute for real jobs? When does he expect an upsurge of real jobs in Staffordshire?

Mr. Morrison: I am glad that my hon. Friend believes that the community programme is worth while, and I am sure that he welcomes the near doubling of the number of places to be made available in Staffordshire. He will also be aware that about 100,000 people were placed in jobs in Staffordshire during the past year. That is an increase of 8 per cent., which cannot be bad.

Labour Statistics

12. **Ms. Harman** asked the Secretary of State for Employment what are the current numbers of women registered unemployed; and what were the numbers for April 1979.

Mr. Alan Clark: On 11 April 1985 the number of women claiming unemployment benefit was 1,002,000 compared with an estimated total of 328,000 in April 1979.

Ms. Harman: Will the hon. Gentleman tell the House whether he believes that women have absolutely the same right to work as men, including women who have small children and are married to men who are in work? Do women also have an absolute equal right to join training schemes in the bogus Government programmes?

Mr. Clark: Yes, of course I agree with the hon. Lady. Women account for 40 per cent. of the civilian work force, but on a majority of our training schemes, inluding YTS and TVEI, they represent over 40 per cent. of the participants.

Mr. Stokes: While considering the number of women who are unemployed, will my hon. Friend also consider the number of women who are employed today, and especially the vast increase in the number of married women who are employed?

Mr. Clark: My hon. Friend is entirely right. During the six years around which the hon. Lady couched her question, the number of women in employment has stayed steady at well over 9 million. In the past year the number of women in full-time jobs increased by 14,000 and of those in part-time work by nearly 200,000.

Mr. Ashton: Is the Minister aware that in my constituency employment among women has trebled? Is he also aware that at the last general election there was a Labour majority in the constituency of 3,500, whereas on last Thursday's results it would have been 11,500? Does that trend not show that massive unemployment is pending for Conservative Members? What will the Minister do about that?

Mr. Clark: Doubtless the hon. Gentleman will use that question in whichever column he is currently writing for the national newspapers. Whatever it may be in the hon. Gentleman's constituency, the national unemployment rate for women is some 2·5 per cent. below that for men.

Mrs. Currie: Does my hon. Friend agree that it is a matter not of rights but of obligations? These days, when Mrs. Average takes her son to get a job, it is she who gets the job rather than him. Does not that situation reflect a lack of flexibility and of skill, and the high cost of employing young people today?

Mr. Clark: Certainly there are many occupations in which the special skills and dedication that they can contribute make women preferable as employees.

Ms. Richardson: Does the Minister not understand that women who are seeking work as of right are being

pushed into part-time jobs because only part-time jobs are available? In changing the rules for the community programme, which virtually exclude women, and in cutting the number of public sector jobs, which also affects women, are not the Government reducing women's chances of employment? Is it not a disgrace that, of all the women unemployed in Europe, 40 per cent. live in this country?

Mr. Clark: I do not think that the hon. Lady is right about part-time employment. Many women prefer part-time employment and contribute to a valuable sector in the economy. As for benefit entitlement on the community programme, the hon. Lady knows that the decision was based on proper priorities. Places should be restricted to those receiving benefit.

Long-term Unemployed Persons

13. **Mr. Terry Davis** asked the Secretary of State for Employment if he will make a statement on the Government's programme for the retraining and employment of the long-term unemployed.

Mr. Peter Morrison: The opportunities for all long-term unemployed people are set out in the White Paper "Employment-The Challenge for the Nation". More than 375,000 long-term unemployed people a year will be helped by our expanded community programme and the other employment and training measures.

Mr. Davis: Did the Minister not hear the admission by his hon. Friend the Under-Secretary of State for Employment earlier that more than 1,300,000 people have been unemployed for more than 12 months? Will not the community programme cater for less than a third of those people, and will not full-time training decline as a result of the closure of skillcentres such as those at Castle Bromwich and Redditch? Are not the Government unable to cope with unemployment and skill shortages on the scale that they have created?

Mr. Morrison: I am sure the hon. Gentleman realises that the number of adults being trained will be doubled and that the number of long-term unemployed on the community programme will be virtually doubled. That is a positive response, which I hope he welcomes.

PRIME MINISTER

Engagements

Q1. **Mr. Alton** asked the Prime Minister if she will list her official engagements for Tuesday 7 May.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Mr. Alton: What explanation has the Prime Minister for last Thursday's unemployment figures, for the speech of her right hon. Friend the Secretary of State for Energy and for the massive thumbs down given to her by alliance voters? Will she again be offering the excuse that she was out of the country?

The Prime Minister: I notice that the alliance party does not seek a majority; it seeks to hold a balance, so that it has a veto—hardly a democratic course of action, if I might say so. I notice also that the hon. Gentleman referred to the speech of my right hon. Friend the Secretary of State for Energy. With regard to unemployment, my right hon. Friend said:

> "To obtain growth, we must obtain the right relationship between pay and investment and productivity. An inflationary wage round unlinked with productivity would do immense damage to Britain's economic opportunity."

I wholly agree.

Sir Edward Gardner: In the light of my right hon. Friend's recently expressed concern, shared by the President of the United States, about the alarming growth of international drug traffic, will she assure the House that she will give the highest priority to means of defeating the threat of having diverted to this country and other European countries a flood of cocaine from a saturated American market?

The Prime Minister: I am grateful to my hon. and learned Friend. When we had that discussion on drugs, it was clear that almost every country was deeply concerned about the effects on young people and deeply concerned to ensure that we could do more to trap drug traffickers and to dissuade young people from taking drugs. We all agreed to set up an expert committee to see what further could be done. My right hon. and learned Friend the Home Secretary, my right hon. Friend the Secretary of State for Social Services and the Treasury are all concerned. We are determined to do as much as we can to rid this country and others in Europe of this vicious trade.

Mr. Kinnock: As someone who told us on Sunday that she wants to get rid of class divisions, is the Prime Minister aware that there are 2,054,000 more people unemployed, 2·1 million more people on supplementary benefit and 140,000 more people having to claim family income supplement than there were on the day when she became Prime Minister six years ago? In view of that, can the right hon. Lady tell us what independence she thinks those millions of people enjoy while she dreams her idle dreams of a classless society?

The Prime Minister: May I also point out that there are 1·8 million more owner-occupiers since 1979, a policy which was fought tooth and nail by the Labour party? There has been a dramatic extension of share ownership, as shown by the 1·7 million people who now hold shares in British Telecom. There has been a dramatic increase in the number of employee share schemes, an increase in the number of assisted places in schools, and we have dramatically extended the rights of trade union members to a secret ballot, which not only would the right hon. Gentleman never have insisted upon, but which he did everything to fight.

Mr. Kinnock: I hear what the Prime Minister says about share ownership and much else. Does she agree with the view expressed by the Secretary of State for Energy last Friday that people are more than consumers, and on that basis will she now, even at this late hour, reverse her policies of change in the welfare state, which will so greatly disadvantage so many people? Why does she not actively work, if she is interested in independence, to stop unemployment policies which have brought more people into state dependence in six years than ever before?

The Prime Minister: I am glad that the right hon. Gentleman referred to the speech of my right hon. Friend the Secretary of State for Energy. I notice that my right hon. Friend said:

"The Labour party, whilst frequently interested in the economic discontentment, appear to be totally unwilling to give the worker the higher status and the higher privilege he seeks."

He continued:

"They are against workers in council houses becoming owner-occupiers, they are against workers having freedom of choice for their children in education. To them it appears that workers are but fragments of a block vote at a Labour party conference and not people whose responsibility and freedoms need to be in their own hands rather than in the hands of a socialist politician or the bureaucrat."

Thank you very much, Mr. Speaker. I am grateful to the right hon. Gentleman for letting me quote from my right hon. Friend's speech.

Q2. **Mr. Andrew MacKay** asked the Prime Minister if she will list her official engagements for Tuesday 7 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. MacKay: If, during her busy day, my right hon. Friend can find a moment to look at last week's county council elections, will she reflect on the fact that in Berkshire, where we had experienced a hung council, which led to a Lib-Lab pact and a rate increase of over 27 per cent., there was a major swing to the Conservatives and we regained control?

The Prime Minister: I am grateful to my hon. Friend for pointing out that when there is a Lib-Lab pact there are high rates, high tax and high spending policies. I think that that fact augurs well for the next local elections.

Q3. **Mr. Dubs** asked the Prime Minister if she will list her official engagements for Friday 7 May.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Dubs: Is the Prime Minister aware that, of the world's leading 11 advanced industrial countries, eight have a lower rate of unemployment than we have, and that every one of these 11 countries is showing lower increases in inflation than we are? Indeed, we are the only one that has an increase, whereas the others are going down. Does this not add up to the fact that her ex-Cabinet Ministers, her Cabinet Ministers, her Back Benchers and the electorate are saying no to her economic policies because Britain is not working?

The Prime Minister: Some of those countries—all of them, I think, apart from United States and Japan—are afflicted with unemployment; some of them, as the hon. Gentleman has indicated, higher than we have. Some of the others have learnt some of the lessons, in that their unit labour costs are going down just at a time when unit labour costs are rising in this country. That has its effect on unemployment. I might point out to the hon. Gentleman that the proportion of the population of working age in work is higher here—66 per cent.—than in West Germany, higher than in France, higher than in Italy and equal to that in the United States.

Q4. **Mr. Speller** asked the Prime Minister if she will list her official engagements for Tuesday 7 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Speller: Is my right hon. Friend aware that the May day holiday is a total flop in terms of British tourism? Will she consider helping our most successful industry by amalgamating the Spring bank holiday and the May day bank holiday to make one worthwhile west country break?

The Prime Minister: We went out to consultations on just such a scheme in 1982 but opinion was very divided and there was clearly no case at that moment for changing the present arrangements.

Dr. Owen: Does the Prime Minister agree that one of the lessons of last Thursday's elections was that people do not like absolute power exercised—*[Interruption.]*

Mr. Speaker: Order. I am trying to help Back Benchers to get to their questions.

Dr. Owen: Does the Prime Minister recognise that one of the lessons of last Thursday was that people do not like absolute power exercised by minorities, that they do not like ideology and dogmatism and that they are becoming increasingly fed up with the the Prime Minister's own hectoring style? Far from—*[Interruption.]* If we always have to make ourselves heard above a hubbub *[Interruption.]*

Mr. Speaker: Order. All Members have to make themselves heard.

Dr. Owen: Does the Prime Minister realise that, having lost 750,000 votes at the last election, she now exercises power with the support of a minority of the population of this country?

The Prime Minister: As for the right hon. Gentleman's comments about a hectoring style, he has become the arch example of that very thing. I can think of no better description of the style that he has adopted. As for seeking power, the right hon. Gentleman is seeking almost absolute power on a smaller minority.

Mr. Patrick Thompson: Will my right hon. Friend take time today to consider the fact that in the past few days there has been hard evidence that industry and employment in Norwich have been adversely affected by the long drawn-out and futile miners' strike? Does she agree that in those circumstances it is hyprocisy for the Opposition to pose as the protectors of jobs?

The Prime Minister: I am grateful to my hon. Friend. Yes, employment was adversely affected, not only in the mining industry but among all the suppliers to the industry and many people are now out of a job as a result of that strike when they would otherwise have been in a job today. My hon. Friend is right. Strikes destroy jobs.

Mr. Freeson: Is the Prime Minister aware that the Foreign Office has been keeping files on Klaus Barbie and Dr. Mengele and has refused to release those files? In this week of VE celebrations, does the right hon. Lady agree that it would be appropriate to instruct the Foreign Office to release those files? What is it hiding?

The Prime Minister: As the right hon. Gentleman knows, we release files whenever we can to assist either in trials or in commissions of inquiry. That would be our policy, but there are occasions when for very good reasons we cannot do so.

Q6. **Mr. Dover** asked the Prime Minister if she will list her official engagements for Tuesday 7 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Dover: Following the events of last Friday, what assurance can my right hon. Friend give the House that the Government will allow enough time for the passage of the Unborn Children (Protection) Bill promoted by the right hon. Member for South Down (Mr. Powell)?

The Prime Minister: I understand my hon. Friend's concern about that Bill. I know that the Bill arouses strong feelings in the House, and I also feel strongly about it, but it has been the practice that the Government do not give Government time for private Members' Bills. Therefore, I cannot offer my hon. Friend any great comfort. My hon. Friend will doubtless also consult my right hon. Friend the Lord Privy Seal, but I cannot give him any hope that he will get a different answer.

Mr. Merlyn Rees: Will the Prime Minister tell the House whether there would be a place for Tory wets in her version of a classless society?

The Prime Minister: For a good climate one needs drys and wets.

Mr. Gerald Howarth asked the Prime Minister if she will list her official engagements for Tuesday 7 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Howarth: Is my right hon. Friend aware that there will be great disappointment that the early negotiations to reduce trade barriers were blocked last week by the French? Will she assure British industry that she will continue to press on our major trading partners the urgent need to deal with this grave problem, which was highlighted by the visit to Japan of our right hon. Friend the Secretary of State for Trade and Industry?

The Prime Minister: The only one difference of opinion on trade between France and the other countries was not that France was anxious to keep protectionism — she agrees that we must do everything possible to reduce protectionism—but that she was not prepared to put her name to fixing a date for a new round of GATT. The rest of us felt that we should give a lead. France put her name to all other aspects of the communiqué about reducing protectionism.

Economic Summit (Bonn)

3.31 pm

The Prime Minister (Mrs. Margaret Thatcher): With permission, Mr. Speaker, I shall make a statement about the economic summit which I attended in Bonn, accompanied by my right hon. and hon. Friend the Secretary of State for Foreign and Commonwealth Affairs and my right hon. Friend the Chancellor of the Exchequer.

Heads of State or Government of the United States, France, West Germany, Italy, Canada and Japan were present, accompanied by their Foreign and Finance or Economic Ministers, together with the President of the European Commission.

I have placed in the Library of the House copies of the economic declaration and of the political declaration to mark the 40th anniversary of the end of the Second World War.

I shall deal first with the political issues. As countries which once fought each other bitterly, we recalled the benefits of reconciliation and of 40 years of co-operation, and pledged ourselves to their continuance. We welcomed the opening of negotiations in Geneva on the reduction of nuclear arms, expressed our appreciation of the positive proposals of the United States, and urged the Soviet Union to act positively and constructively to achieve significant agreements.

Foreign Ministers discussed the middle east, southern Africa and central America. They condemned the continuing, brutal occupation of Afghanistan by Soviet troops, and of Cambodia by Vietnam.

On Britain's initiative we had a discussion of the growing problems posed by drugs, and we agreed to set in hand work on further co-operative measures to combat the vicious trade, which is the cause of so much human suffering. We also reaffirmed our determination to strengthen further the co-operation against terrorism agreed at the London summit last year.

On economic matters, the discussion and the communiqué reflected the similarity between the approaches and policies of all seven Governments. We recognised the further progress since our last meeting in keeping down inflation and strengthening the basis for economic growth. We also welcomed the fact that the recovery has begun to spread to the developing world.

Nevertheless, we recognised that our countries still face important challenges. Among other things we need to strengthen the ability of our economies to respond to new developments; to increase job opportunities; to combat protectionism; and to improve the stability of the world monetary system.

To sustain non-inflationary growth and to create higher employment, we agreed, first, to consolidate and enhance the progress made in bringing down inflation; and, secondly, to follow prudent and, where necessary, strengthened monetary and budgetary policies with a view to stable prices, lower interest rates and more productive investment. Each of our countries will exercise firm control over public spending in order to reduce budget deficits when excessive, and, where necessary, reduce the share of public spending in gross national product.

Thirdly, we agreed to work to remove obstacles to growth and encourage initiative and enterprise so as to release the creative energies of our peoples, while maintaining appropriate social policies for those in need.

Fourthly, we agreed to promote greater adaptability and responsiveness in all markets, particularly for the labour market.

Fifthly, we agree to encourage training to improve occupational skills, particularly for the young.

Building on those common policies, each country indicated its specific priorities. For example, President Reagan emphasised his determination to achieve a substantial reduction in the United States' budget deficit. The Japanese Prime Minister undertook that his Government would make further progress in deregulating financial markets, promoting the international role of the yen, facilitating access to markets, and encouraging growth in imports. The United Kingdom will continue to work to reduce inflation, keep public spending under control, promote the development of small business and advanced technological industries, and encourage initiative and enterprise in the creation of new job opportunities.

On international trade, we agreed that protectionism does not solve problems, it creates them; that further progress in relaxing and dismantling trade restrictions is essential; that a new round of multilateral trade negotiations should begin as soon as possible, with the broadest possible participation; and that the preparations for the new round should begin with a meeting of GATT officials before the end of the summer. With the exception of France, we were agreed that the new GATT round should start in 1986. France was not prepared to commit herself to a date.

The discussions on international monetary questions, which began after the Williamsburg summit, will be completed next month, when the Group of Ten meets in Tokyo. It will put forward proposals for discussion in the interim committee of the IMF at its October meeting. We endorsed the case-by-case approach to the debt problems of the developing countries set out at the London summit.

We expressed our particular concern for the plight of African peoples suffering from famine and drought. While acknowledging the very substantial assistance provided not only by Governments but by private organisations and individual citizens, we instructed experts to report to the Foreign Ministers of the Seven at the end of September with proposals for further measures which might be necessary.

Particular concern was voiced about the practical distribution of food aid which has been so generously given, and the need for long-term polices of good husbandry to avoid creating more desert land. We also called on the Soviet Union and other Communist countries to assume their responsibilities in helping to relieve the suffering caused by famine and drought.

What was impressive in the summit discussions was the conviction of all represented there that lasting job opportunities can be created only if we maintain sound financial policies and open markets and remove disincentives and unhelpful regulations to foster a climate of more vigorous enterprise and initiative.

As the communiqué said,

"By pursuing these policies we will not only address our domestic problems, but at the same time contribute to an enduring growth of the world economy and a more balanced expansion of international trade."

Mr. Neil Kinnock (Islwyn): First, I warmly commend the collective pledge made by the powers at Bonn actively

to continue the reconciliation and co-operation which have benefited all countries in the past 40 years, whether they were former allies or former enemies.

Secondly, I support the Prime Minister in her continuing efforts to encourage international co-operation to combat drug trafficking and terrorism.

Thirdly, I warmly endorse the decision of the Prime Minister and five of her colleagues not to join President Reagan in his vindictive and dangerous policy of imposing a complete economic embargo on Nicaragua.

Fourthly, I must record deep disappointment that on economic issues the Bonn summit turned into yet another sit-tight summit. How many times will the Prime Minister register the need for monetary reform, the reduction of social inequality, the promotion of growth and trade, helping the poorest countries, and much else, and then, having recorded those challenges, dodge away from doing anything effective in any of those areas?

Specifically, does the Prime Minister recall that after the London summit, she told us that the summit seven, including Britain, would

"encourage multi-yearly rescheduling"

of the debts of poor countries, and that they would

"seek to maintain and wherever possible increase the flow of official aid to developing countries, particularly the poorest"?

Against that background, why is it that in the ensuing 12 months the Governments of the summit countries have left rescheduling almost entirely to commercial institutions and have borne hardly any of the responsibilities themselves? Why is it that in that 12 months the British Government, under the right hon. Lady's leadership has, far from maintaining or increasing the flow of aid, cut the flow of official aid to the poorest countries in developing parts of the world?

The Prime Minister has told us that President Reagan emphasised his determination to achieve a substantial reduction in the United States' budget deficit. As the condition of the United States economy has been responsible for half of the growth rate in European economies in the past year, what effect does the right hon. Lady think the rapid reduction of the United States' budget deficit will have on our economy if there is no simultaneous compensating expansion of European economies, especially our own?

We have had another do-nothing summit this year. Will the right hon. Lady give us yet another do-nothing year when it comes to fighting unemployment at home and poverty and starvation abroad?

The Prime Minister: I note the strictures of the right hon. Gentleman on all Heads of State or Government, including those who share his political views and not mine. When they are in power, however, they pursue the same economic policies. The difference between them and the Socialists on the Opposition Benches is that a British Socialist Government promise everything, which takes them to the International Monetary Fund, while other Socialist parties, when in power, pursue much more conservative policies, both with a small c and a capital C. They do so because they are realistic. The right hon. Gentleman is extremely critical of his fellow Socialists who are Heads of State and of Socialist Governments.

I am glad that the right hon. Gentleman has welcomed the political statement and the statement on drug trafficking.

We were not asked to join the United States in imposing sanctions on Nicaragua.

The right hon. Gentleman has talked of a sit-tight summit, but I have said that all Heads of State or Government are convinced that the policies that are being followed are the right ones. They will keep down inflation, and unless we try to do that we shall be doing great harm to employment prospects. Over the past year we have introduced the policies that were outlined in the Budget on training and for an increased community programme. These policies have not yet worked through, but they should provide more help to those who would otherwise be unemployed. About 600,000 more jobs have been created in the past six months. Britain is one of the few European countries that is creating more jobs.

There has been one agreement on multi-yearly rescheduling. There have not been more because such agreements require, first, the accord of the IMF. Normally, commercial banks do not lend unless there is agreement with the IMF to change policies, or a good prospect of it. That is the only proven policy to follow when one is lending through the banks other people's money.

We are one of the countries that gives aid priority to the poorest countries, even though these are not always the countries that will give us more jobs at home. Other countries do not always give such high priority in their total aid budgets to the poorer countries.

The right hon. Gentleman referred to the reduction in the United States' budget deficit. As a percentage of gross national product, that deficit is not nearly as high as some think. The net deficit is 4¼ per cent., taking into account the surpluses that are produced by the separate states. We must consider the deficit in terms of the savings ratio. It would be far more advantageous to the world if we all brought down interest rates. That would give us far more sustained expansion than the policy that is now being pursued. We hope that that will be the result of the United States reducing its deficit to something more in tune with its lower savings ratio.

Sir John Osborn (Sheffield. Hallam): Is my right hon. Friend aware that the sixth parliamentary and scientific conference run by the Council of Europe will take place in Japan at the end of the month? To what extent will Japanese markets be opened up to other countries?

Secondly, what would be the impact of protectionism on our own economy? About 50 per cent. of Britain's GDP lies in imports and exports and a move towards protectionism would not be in our interests nor those of the western world generally.

The Prime Minister: I agree with my hon. Friend that it is much better for countries which rely on exports to try to open up the world's markets than to go for a policy of protectionism. Each and every one of us has some protectionist policies, but most of us felt that it would be far better to take them all to the next round of GATT and to bargain away some of our protectionism for a reduction in other people's protectionism. They would not all go at once, but that would be much better for those of us who depend on world trade. That applies to most developing countries, too.

With regard to the Japanese market, I think that Mr. Nakasone has realised far more than previous Prime Ministers the need to open up Japanese markets. I hope that we shall pursue the point vigorously through the European Economic Community. Some members of the

[The Prime Minister]

Community have much tougher limits on the import of, for example, Japanese cars than others. It is quite clear that we cannot go on keeping our markets open unless other countries keep theirs equally open.

Mr. Roy Jenkins (Glasgow, Hillhead): Why does the Prime Minister, who used to be most sceptical and impatient about the value of summits, now appear to be satisfied with one that has almost certainly produced the most flatulent and platitudinous communiqué of the 11 in the series? Can the Prime Minister tell us of one beneficial and constructive thing which she thinks will happen as a result of the summit and which would not otherwise have taken place?

The Prime Minister: I think that this is the first summit in which each country pledged itself to take specific action. I cannot remember a previous communiqué in which each country set out separately what——

Mr. Jenkins: The 1978 summit.

The Prime Minister: The 1978 summit in Bonn was disastrous because it reflated and led to the higher unemployment and some of the higher inflation which followed. I think that the right hon. Gentleman will find that Germany would never follow that course of action. I note that the right hon. Gentleman said that the summit was platitudinous. Platitudes are platitudes because they are true. Therefore, he believes that the economic policy that we set out is true. I am grateful for his support.

Mr. Charles Morrison (Devizes): Was further aid for population control in African countries considered at the summit? Was reference made to the unhelpful attitude of the American Administration, and was that Administration encouraged to become less dogmatic and more realistic in that regard?

The Prime Minister: We are considering further what best to do about aid to those countries. Particular concern was voiced about it not always being easy to distribute the amount of aid that is given, whether in food or other items such as medicines. We must look further into that. We were also anxious not only to give emergency food aid but to help those countries to develop their agricultural economies so that they might produce better aid for themselves. We are also anxious to help them to get grains which are suitable for dry zone areas and generally to help them in husbandry.

As for the United States, I remember that, at the recent United Nations summit in Geneva on help to the African countries, the United States was extremely generous in her allocation of aid to Ethiopia and Sudan.

Mr. Robert Sheldon (Ashton-under-Lyne): Is the Prime Minister aware that few people expected much from the summit as summits increasingly resemble the futility of the inter-war economic conferences? Will she say more about Japan's trade practices? Is she aware that they increasingly look like economic domination, as they did in 1941, rather than economic co-operation? Should she not have resisted that even more strongly?

The Prime Minister: It was not possible to be stronger than I was on certain aspects of Japanese trade, nor is it possible to be stronger. The right hon. Gentleman is aware that we have to pursue our trading arrangements with the outside world through the Community. I believe that M. Delors, the President of the Commission, will continue to pursue this matter as vigorously as we would wish.

Mr. Tim Rathbone (Lewes): My right hon. Friend referred to the discussion about drug trafficking and the misuse of drugs. Will she elaborate further on that subject? Will there be room, on a pan-European and worldwide basis, to have joint activity in the same way that the Government have set up joint activity between Ministeries in this country? Does my right hon. Friend come back from the summit with an awareness of the need for even greater spending, particularly on the education of young people about the threat of this horrible drug trafficking menace?

The Prime Minister: As my hon. Friend knows, there is already some co-operation, between countries, but I believe that it can be stepped up. It is particularly urgent now that there appear to be more supplies of cocaine, and sometimes success in one country in discovering cocaine and destroying it can mean that the cocaine is then directed to a different country. Therefore, we in Europe have to be very wary of what is happening, and do all that we can to stop it coming in.

As my hon. Friend knows, my right hon. and learned Friend the Home Secretary has issued a statement on what we are doing about reducing drug trafficking. He has also made it clear that he expects to introduce legislation to confiscate the assets of those who are convicted of drug trafficking so that, having suffered a prison sentence, they shall not nevertheless still be in possession of the enormous sums that are involved. My right hon. and learned Friend the Home Secretary and the several Departments will co-operate with other countries in doing everything that we can, and if it means more expenditure, we shall have to undertake it.

Mr. A. E. P. Duffy (Sheffield, Attercliffe): Is the Prime Minister satisfied that the approach of the summit to economic recovery was sufficiently urgent? Does she recall the recent reminder by Paul Volcker, chairman of the Federal Reserve Board, that over the past two years American expansion and the impact of higher imports were responsible for 70 per cent. of growth against only 40 per cent. of OECD output for the same reasons? Does not the right hon. Lady accept that that era is now ended, for there is unmistakable evidence of slowdown in the United States? Does she not agree with my right hon. Friend the Leader of the Opposition that the most urgent requirement of the summit was to come forward with a set of appropriate and compensating measures?

The Prime Minister: I tried to answer that in part in my reply to a previous question. Certainly last year there was a 9 per cent. increase in world trade. Half of it was attributable to more imports into the United States. As the hon. Gentleman said, that policy could not be sustained. The policy that led to the high dollar and double deficit could not be sustained, which is why, I believe, the President of the United States and Congress will have to take action to reduce the deficit. It would be of more benefit to the world if action were taken to reduce that deficit because of the expected impact on interest rates. It would be more profitable to world expansion to get lower interest rates all round because that is the way to get more

construction and more small businesses developing. If that policy were pursued, it would give a boost to growth. Hitherto, during the past year, there was an unsustained boost through the imports into the United States.

Mr. Patrick Cormack (Staffordshire, South): In view of the fact that welcome reconciliation has presumably led to a much greater increase in mutual trust between nations, does my right hon. Friend think that it is time that Japan was made to bear the proper burden for its own defence? Would not that go a long way towards solving the problems that trouble us all?

The Prime Minister: We have to tackle Japan on an open trading basis. I do not think that it is right for one country to expect others to be open, make enormous profits from their openness, use those profits to undercut them in other markets, and still not take steps either to have home markets open or to redress the balance of trade by making major procurement purchases, which a Government can do, in aircraft and other such things from other countries overseas. My hon. Friend raises another matter — the defence of Japan — which would have considerable political implications. I would be slow to jump to the conclusion that he has reached, although I accept that Japan must take more responsibility for the defence of her maritime coast.

Mr. Tom Clarke (Monklands, West): In her statement, the Prime Minister referred to the discussions between Foreign Ministers about the middle east, southern Africa, and central America. Was any progress made in stopping the flow of arms to those regions as well as on human rights?

The Prime Minister: I do not know whether they discussed that subject, but I expect that it came up in relation to one of those countries. As the hon. Gentleman is aware, it is not easy to stop the flow of arms to these regions, and some of the previous efforts have not been successful.

Viscount Cranborne (Dorset, South): Apart from a ritual condemnation of the Soviet invasion of Afghanistan, did my right hon. Friend persuade her fellow summiteers of the value of a constructive policy to do something about the problem of that tragic country, particularly as she knows that there is a coherent policy available to her fellow Prime Ministers?

The Prime Minister: As my hon. Friend is aware, the United Nations has been making strenuous efforts to make arrangements that would ultimately result in the withdrawal of Soviet troops from Afghanistan. I am not very optimistic that that prospect will be achieved.

Mr. James Lamond (Oldham, Central and Royton): If the Prime Minister has returned determined to redouble her efforts to make us more efficient, to shake out even more people from the labour market, to cut back on our social services and to try to catch a bigger share of the international market, and all the other leaders have decided to do the same, will we not all be running very fast to stand still in the same place?

The Prime Minister: We have not been quite as successful as some other countries, such as Germany, in securing extra export markets. One of the reasons is that Germany's unit labour costs are below ours and, although it is a high-wage economy, it is also a low-cost economy. In any event, we are not on a zero sum. There is a good prospect for us to improve our own performance, which can only be done through management and the work force. We are not doing it at the expense of other people, except perhaps at the expense of those who have an enormous trade balance, such as Japan. We have to compete with Germany, France and Japan, and if the hon. Gentleman is not willing to compete, there is no hope for him and his party.

Mr. Michael Fallon (Darlington): I thank my hon. Friend for raising with the Japanese delegation the disgraceful predatory pricing on the second Bosphorus bridge. Can she reassure me that we shall preserve bridge-building technology in the United Kingdom, and the hundreds of jobs in Darlington that depend upon it? Will she also assure me that everything possible will be done before the contract is signed to persuade the Japanese and Turkish Governments that it is in everybody's interest to ensure that at least the bridge section of this contract can be subcontracted to a British firm?

The Prime Minister: I know that my hon. Friend is as concerned as I am because he, with another of my hon. Friends, came to see me some time ago about the Bosphorus bridge. As he is aware, we were prepared to match the Japanese offer on the bridge, but we could not do it on the roads leading to the bridge. That led to the allocation of the contract to the Japanese. If there is any hope of our having the subcontracted bridge, I am sure that it will be pursued vigorously.

Mr. Russell Johnston (Inverness, Nairn and Lochaber): The Prime Minister said that the middle east was discussed. Was there any sign of a new initiative from the United States? Does she agree that there is an urgent need for new initiatives if the situation in the middle east is not to deteriorate further?

The Prime Minister: As the hon. Gentleman will be aware, Ambassador Murphy has been in Jordan discussing with King Hussein the possibility of setting up a team of Palestinians to negotiate with King Hussein, directly with Israel. He has made one visit and I believe another is in the offing. There is no initiative beyond that because a great deal will depend on the success of what he is doing there.

Mr. John Browne (Winchester): Is my right hon. Friend aware of the assertion that much of the United States' economic growth has been financed by Government borrowing, so far without any apparent inflation? Does she accept that much of this money was effectively siphoned off from investment funds from the non-United States economies, has raised world interest rates and has resulted in serious potential inflation inside the United States economy? Will she assure the House that she will not resort to any cosmetic, irresponsible and inflationary borrowing here at home?

The Prime Minister: No, and that was one conclusion of the summit: that we must not resort to inflationary borrowing, which would be highly damaging not only to the control of inflation but to the prospects of getting more jobs later. I agree with my hon. Friend's premise that, although much investment in the private sector has been financed from within the United States, that has left very little of a savings ratio to finance the deficit, which has been financed by drawing in capital from the world over.

[The Prime Minister]

That has kept interest rates artificially high. The greatest thing that could happen in the effort to obtain world expansion would be the lowering of interest rates, which I believe will follow if there is a sufficient reduction in the United States deficit.

Mr. Eric S. Heffer (Liverpool, Walton): In addition to the nonsense that the Prime Minister has been talking about Japan, is she aware that on radio the other day, when she gave her first report of the summit meeting to the nation—I believe the programme is called "The World This Weekend"—she talked more nonsense when she suggested that the British people could solve their problems by creating their own businesses? How will the 4 million unemployed living on social security benefits be able to create their own businesses? Will the people who are now going bankrupt because of her Government's policies create their own businesses? Is it not time that she came into the real world and understood that the only way to deal with unemployment in a serious manner is by state and Government intervention?

The Prime Minister: Unless more small businesses are formed, we will not get more jobs. The alternative—this is what the hon. Gentleman proposes—would be to halve jobs and wages or split them proportionately. All that we could do under his proposal would be to shuffle round the amount we have and try to get more employment with it. He will know from the success of Japan and the United States, and from living in the real world, that new jobs come from the formation of new businesses. My right hon. Friend the Secretary of State for Employment, who answered questions today before I did, said that Britain has 100,000 more new businesses today than it had in 1979. That is good, but it is not sufficient. If the hon. Gentleman is giving up all hope of an increase in new business and small business formation, he is giving up all hope of creating more jobs.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Does my right hon. Friend accept that many of us were much heartened and warmed by the fact that she had come to an understanding with Mr. Nakasone of Japan? Does she also accept that, five years ago to the month, I was promised that we had come to a gentleman's agreement with Japan on trade, but that since then the deficit with Japan has increased by more than £20,000 million? has not the time come to say clearly that gentleman's agreements must between gentleman, and that unless the Japanese come to a copper-bottomed agreement in the very near future we shall have to protect our industries as they have protected theirs? This country cannot continue selling its industry down the river to the Japanese.

The Prime Minister: Whatever the Japanese have done so far to try to secure more imports, they have not succeeded. They have not purchased abroad, at any rate not from Britain and some other countries, as many goods, such as aeroplanes, as they could, therefore, we were anxious to fix a date for a new round of GATT so that we could deal with such matters together in a much more effective forum than any other. Apart from that, we must pursue a policy through the European Community. Mr. Nakasone now knows how strongly not only Europe but the United States feels about it.

Mr. Frank Cook (Stockton, North): I have listened with interest to the Prime Minister's comments on the views of Mr. Nakasone, and I was interested to hear her reply to the hon. Member for Darlington (Mr. Fallon). Will she reflect on her statement on BBC radio this morning, when she deplored the failure of Cleveland Bridge to acquire the contract for the Bosphorus bridge, not on the grounds that the offer was bad and the technology inadequate, but on the grounds of a last-minute injection of investment as a subsidy from the Japanese Government? During her reflection, will she also consider the fact that that nation gives similar subsidies to its shipbuilding, steelmaking, communications and transport industries? If, as she says now, new industries in Britain must do it without state intervention or aid, how does she expect Britain to compete with countries that do it all the time?

The Prime Minister: I deplore the fact that we did not get the Bosphorus bridge contract for two reasons. First, on the bridge itself, our bid was the lowest and, therefore, I believed that we should get it. When it came to matching an offer that anyone else made, we were prepared to do so for the bridge. However the contract was for the roads as well, and we could not match the Japanese offer there. The second reason why I deplored it was that it will cause the loss of jobs in an area where we could have done with jobs.

As to subsidies, may I point out to the hon. Gentleman that we give subsidies to shipbuilding — considerable subsidies. We give subsidies to steel — considerable subsidies. We give subsidies to railways—considerable subsidies. We give subsidies to coal mining — considerable subsidies. The Japanese are not the only people at it.

Mr. Richard Hickmet (Glanford and Scunthorpe): In relation to the Bosphorus bridge contract, does my right hon. Friend agree that although she and her colleagues at the summit agreed that they did not wish to embark on a trade war, that is what the Japanese have done by their predatory pricing methods and by the way in which they dumped credit to secure the contract? The fact that they have offered $206 million over five years at 5 per cent. interest means that they are buying into our markets, jobs and industries and driving up our unemployment. Has not the time come, despite Mr. Nakasone's smiling protestations, to say, "This must stop or your car imports to Britain will be reduced by 10 per cent."? Will she ask the Japanese to subcontract the bridge to Cleveland Bridge?

The Prime Minister: I understand why my hon. Friend feels even more strongly than the rest of us, because he also came to see me about the Bosphorus bridge contract, which will affect employment in his constituency. As I said, we did everything asked of us as a Government to help the company to obtain that contract. I know how strongly he feels about the Japanese, and I share his feelings. But I must make one point: we must be as efficient and as good in design as are the Japanese. We certainly were in relation to the bridge. If we were in relation to everything else, we should have had the video trade here which we did not have. We must be as good at design and efficiency as they are, and in addition we must have free and fair trading. Trading cannot be free unless it is fair.

Several Hon. Members *rose*——

Mr. Speaker: Order. I must protect the rest of the business. There are two other statements and a Ten-minute Bill. I shall allow questions to continue until 4.15. I hope that all hon. Members who have been rising will be called to speak before then, provided everyone puts questions briefly.

Mr. Derek Foster (Bishop Auckland): The Prime Minister must be aware that the Japanese have been promising to open their markets and increase their imports for many years. However, despite formidable pressure from international forces for long a time, there has been no progress. Why does not the right hon. Lady fight for British industry as effectively as the Japanese fight for theirs? If she had done so, the Bosphorus bridge contract would be ours.

The Prime Minister: We had the lowest tender on the bridge, which was due to the company, and the Government matched the Japanese offer on the bridge. We could not match it on the roads. We had hoped to get the bridge contract. The company did the job, and we did the job. We did not get the contract for the bridge because of the roads aspect.

I agree with the hon. Gentleman that, despite the strictures not only of Britain but of other countries, we have not yet made inroads into the Japanese market. In some cases, the Japanese have had better-designed and more efficient goods than we have. As the hon. Gentleman knows, we must pursue this matter, either through those who make the voluntary agreements on a industry-to-industry basis, or through the European Community. The Government will pursue it through the Community.

Mr. Nicholas Budgen (Wolverhampton, South-West): As my right hon. Friend and the leaders of the principal European nations penned their splendid general denunciation of protectionism in other countries, did my right hon. Friend reflect that it was rather ironic that the farm Ministers did not even agree on a tiny reduction in cereal prices which had been decided upon a year ago?

The Prime Minister: As I said earlier, almost every country practises some aspects of protectionism. The common agricultural policy is certainly protectionist, but so are some aspects of America's trade and farming. These aspects must be discussed at the GATT meeting. We have had six working parties within GATT, one of which has been concerned with trying to free trade in agricultural products. Six of the seven leaders at Bonn wanted to set a date for the GATT conference, believing that that was the way in which we could all discuss protectionism and how to get rid of it and could bargain one aspect against another. Six of us were ready to set our names to a date; one was not. Nevertheless, I believe that there probably will be such a conference during 1986.

Mr. John Fraser (Norwood): Despite the fact that we were not directly involved, did the Prime Minister point out to President Reagan the diplomatic folly, petulance and contradiction within the general tenor of the communiqué imposing a trade embargo against Nicaragua? Is it correct that the right hon. Lady has agreed to celebrate the 40th anniversary of Dr. Goebbels' downfall by telling us that she does not have the faintest idea when unemployment will be reduced?

The Prime Minister: The hon. Gentleman's second question was rather grotesque in the circumstances. I am surprised at the hon. Gentleman and some of his right hon. and hon. Friends. There is only one way to increase the numbers employed, and that is to increase the number of customers who are prepared to buy British goods. They will buy British goods when they are the best.

On Nicaragua, President Reagan had his own reasons for taking that action. The hon. Gentleman will recall that, during the Congress debate, there was a message and declaration from Nicaragua that, should help for the Contras stop, Nicaragua would be prepared to follow a genuinely plural political policy and to release documents from censorship. That can only mean that she had not done either until that proposal was made.

Mr. Nigel Forman (Carshalton and Wallington): As we in Britain have one of the strongest national interests in maintaining an effective open trading system, will my right hon. Friend bear in mind between now and the next GATT round the vital importance of proceeding on a multilateral basis, since it is precisely because of the stitching up of the various bilateral agreements and understandings that we have arrived at so many of our present trading problems?

The Prime Minister: I totally agree, and that is why there are so many piecemeal aspects of protectionism. That is why six of the seven of us wanted to fix a new date for the GATT meeting. All we have done so far is to agree that there should be a preparatory meeting of officials to sort out the agenda and the modalities. We have agreed that that preparatory meeting should take place before the end of the summer. That is at least a step forward to securing the conference that most of us want.

Mr. D. N. Campbell-Savours (Workington): Does the Prime Minister believe that the summit will lead to a reduction or to an increase in demands from American Congressmen and Senators for protectionist measures, especially the 20 per cent. import surcharge?

The Prime Minister: If we had all agreed to give a lead on a date in 1986 — we could merely give a lead, because Britain is only one of the GATT countries— that would have been a good defence to the demands that would come from some parts of Congress. If the United States becomes more protectionist, it will not be the United States' problem; it will be our problem, Europe's problem and the problem of the developing countries. That was why we took the line we did. I regret that we were not successful in all seven of us agreeing, but at least six of us gave a firm clear lead because we wanted more open markets.

Mr. Harry Greenway (Ealing, North): Was the latest Japanese trade deficit of £38 billion discussed round the table by the Heads of State? If so, what conclusions were drawn? What did the Japanese Prime Minister say about it?

The Prime Minister: As I said in my statement, the Japanese have said that they will do all that they can to open up their markets and get the value of the yen to a level more appropriate to Japan's excellent trading balance. I still think that the best way of achieving this is not only by discussion with the Japanese but by a GATT ministerial meeting.

Mr. Peter Hardy (Wentworth): A little while ago, spokesmen for the Japanese Government in Strasbourg complained that it was easier for Europe to sell to Japan than for Japan to sell within the Community. That might cause incredulity on both sides of the House, but as far as some member states of the Community are concerned that is true. How does that happen? Is it not clear that, while the Government are in power, Britain's commercial prospects have as much chance as a whale in Tokyo bay?

The Prime Minister: On selling to Europe, different systems apply in Europe — for example, the arrangements in place before the European Economic Community agreement was signed in 1956 have remained in place. That helps Italy especially because it had a small Japanese car quota and, therefore, still has a small quota of, I think, about 2,000. Our car quota with the japanese is arranged between the motor industries. The arrangements in Germany, France and Britain differ because they are voluntary arrangements entered into between the car industries in each of our countries and the car industry in Japan. That is the only basis for them. Apart from that, we have to negotiate through the EEC. The Community states with low quotas are not exactly anxious to negotiate with the rest of us, because it might mean higher imports for them.

Mr. Edward Leigh (Gainsborough and Horncastle): During the economic summit, did my right hon. Friend have a chance to discuss with President Mitterrand what happened when, as the brand new Socialist President of France in 1981, he attempted to do precisely what the Leader of the Opposition suggested earlier and, within two years, saw the French economy brought to its knees? Will my right hon. Friend suggest to President Mitterrand that he give a little teaching to his Socialist cousin just in case the Leader of the Opposition is more interested in economic reality rather than fourth-form abuse wrapped up in a third-form perspective of history?

The Prime Minister: In view of the experiences which my hon. Friend enumerated, I believe that President Mitterrand would be a very good teacher. Unfortunately, I do not think that he would have a very good pupil in the Leader of the Opposition.

Mr. Dennis Skinner (Bolsover): Bearing in mind what has happened at previous summits, and especially this one, does the Prime Minister wish that she had kept to the strictures that she used to admonish a former Prime Minister when she said that these summits were a waste of time? Is she aware that, every time she has returned empty handed, unemployment has increased? Is it not a sad irony that, in this summit, 40 years after the building of the bridge over the River Kwai, the super Japanese, with an economy that the Prime Minister has idolised, have pinched the Bosphorus bridge project from underneath her nose by giving state aid? What an irony.

The Prime Minister: I do not think that the hon. Gentleman could have been listening to what I said, because otherwise he would have heard——

Mr. Skinner: I heard the right hon. Lady this morning.

The Prime Minister: I am delighted. It might by this time have penetrated the hon. Gentleman's mind. After all, we were both at grammar school, so we should both have equal understanding. May I therefore explain in words of one syllable, although the hon. Gentleman could cope with words of three or four syllables if only he would admit it, that the amount of aid which would have been given by this Government to the Bosphorus bridge project was equal to the amount given by the Japanese. I hope that the hon. Gentleman agrees that that was a very good thing to do.

Gas Industry

4.19 pm

The Secretary of State for Energy (Mr. Peter Walker): With permission, Mr. Speaker, I should like to make a statement about the future of the British gas industry.

Major progress has been made with the Government's privatisation programme. Management and enterprise have been freed from bureaucratic intervention in industries as diverse as aerospace, the ports and cross-Channel services, the oil industry and British Telecom.

The Government have decided that the time has come for a further major step in the transfer of state industry to the private sector. I propose to introduce legislation at the earliest opportunity to provide for the transfer to a new private sector company of all the assets of the British Gas Corporation, and for appropriate regulation of monopoly aspects of the gas supply business. Following that legislation, the Government intend that the shares in the new company should be sold to those employed in the industry and to the public.

This change, like the earlier ones, will remove state intervention and substitute realistic tests of performance for bureaucratic or political ones. It will create a real ownership by the public and employees in place of the nominal public ownership of the nationalisation statute. It will place new emphasis on efficiency for the benefit of consumers and give employees a new stake in the business.

The legislation will protect the consumer by establishing regulatory arrangements to oversee gas prices to the consumer and terms and conditions of supply. The new company will have an appropriate obligation to supply consumers, as has been the case with the British Gas Corporation. The legislation will protect consumers against discrimination and will contain necessary safety provisions, including the obligation on the new company to maintain the emergency services.

The opportunities for greater competition opened up by the Oil and Gas (Enterprise) Act 1982 will be maintained and kept under review. In particular, it is the Government's intention that competitors should be able to supply not only large industrial consumers but smaller domestic and commercial consumers in areas not already supplied by BGC, with suitable safeguards for safety.

Outside the areas of gas supply, the new company will be able to develop other areas of its business in a competitive environment, subject like any other company to the general framework of competition legislation.

I intend to provide special opportunities to gas consumers and other small investors to purchase shares, in line with our policy on wider share ownership. All gas consumers will benefit from the emphasis on efficiency which will be built into the regulatory system and from a staightforward system of gas pricing related directly to achieved commercial performance.

As with previous privatisation measures, I propose to make generous provision to enable all who work in the industry to acquire shares and thus to take a new stake in the company's performance and success. There will be new opportunities, as well as new challenges, for management and employees in the new company.

The British gas industry is now nearly two centuries old. It has spent nearly 40 years as a nationalised industry, but was developed for a century and a half in the private sector. It has undergone great change in the past two decades with the transition to natural gas, which has linked it to the great expansion of British industry into the North sea. I believe that today's announcement will mark a new and long period of successful development into which the management and all who work in the industry can bring their present talents and link them with new freedoms in the interests of the nation.

Mr. Stanley Orme (Salford, East): The Government's proposal to privatise British Gas will create a massive new private monopoly out of publicly developed assets. For what purpose, and to what end? Will there be any greater choice for gas consumers? Will it introduce competition, which is so vaunted by the Government? The right hon. Gentleman mentioned the Oil and Gas (Enterprise) Act 1982. How many applications and approvals have there been under that Act? What a flop that Act has been. Will the measure bring the consumer any new benefits? Will it produce lower gas prices? There is not a shred of evidence to suggest that customers will be better off.

The Secretary of State has boasted that gas consumers will be offered a special opportunity to buy shares. The majority of gas consumers have enough to do to pay their present gas bills, which are deliberately inflated by Government policy. Does the Secretary of State recall that it was his Government who imposed a gas price increase of 10 per cent. above the rate of inflation for three years on the run—an additional national gas bill of £4 billion—and a £1·5 billion gas levy? The consumer, not the Government, has financed the development of the gas industry.

The Secretary of State boasts about the so-called wider share ownership. The privatisation record shows an ever-increasing concentration of shares in fewer and fewer hands. Is he aware that less than 5 per cent. of British Telecom's shares are now in the hands of its employees? The same story can be told about British Aerospace and Cable and Wireless.

I remind the Secretary of State that the British Gas Corporation has an outstanding safety record. If his proposals should have the misfortune to get through, there will be widespread anxiety that a private monopoly might cut corners on safety.

In his Cambridge speech last week the Secretary of State made a great point about employment and the creation of jobs. What new jobs will these measures create? What effect will they have, not just on the people who work in the industry, but on the tens of thousands who supply the industry?

Is the Secretary of State aware of growing public disquiet about the financial propriety of the privatisation programme, which disquiet was rightly highlighted in today's TUC report? Huge fees are obtained by a limited number of City and financial companies. We want a full public and parliamentary inquiry into those issues before any further privatisation.

There will be equally widespread anxiety about the future ownership of the shares. Does the Secretary of State intend to have safeguards, such as the so-called "special" or "golden" share? What time scale does he envisage for these measures? How much does he expect to receive from the sale of these national assets? The sale will involve billions of pounds, but he has not today put a figure on what the Goverment propose.

[Mr. Stanley Orme]

We all know why the Government are selling this industry—it is to pay for the Chancellor's pre-election handouts. There is no national energy case for the proposals. The British Gas Corporation, as a public corporation, has served the country well. It is one of the success stories of the past 20 years. There is every argument for maintaining a national corporation serving the nation and answerable to the House through the Secretary of State. There is no case for the creation of a monster private monopoly, serving limited interests, apparently to be controlled and regulated by a new Government quango. That is why the Opposition will oppose the proposals and any Bill that follows.

Mr. Walker: In the comments that the right hon. Member for Salford, East (Mr. Orme) made about the interests of the consumer he said that the Government had increased gas prices, against the consumers' interests. Does he not remember the year when the right hon. Member for Leeds, East (Mr. Healey) was Chancellor and the British Gas Corporation announced an increase of 12·3 per cent. in its prices for the following year, and that six months later, at the Chancellor's request, they were increased by a further 9·6 per cent.? Was that looking after the consumer, or was it a politician interfering, as politicians have constantly interfered, in nationalised industries — almost always against the consumers' interests?

It will be in the consumers' interests to have an organisation that is interested in improving efficiency and its competitiveness with other forms of fuel. As to the monopoly position, alas, since 1847 there has been a monopoly in the supply of gas. There was a monopoly when gas was nationalised, because it is unlikely that each house had two or three sources of supply. We recognise that. It is far better to have an organisation that will be judged on its commercial success and efficiency than to have the constant bureucratic control from which every other nationalised industry suffers.

The gas industry's safety record has been good. Plainly, it is in the interests of the new company to maintain the highest safety standards. It will have to follow all the statutory obligations.

I have read the reports of the TUC with a great deal of interest, but I think that its latest report was one of the most superficial and unenlightened that I have seen for a long time.

The "golden" share will have to be considered when we prepare legislation. It is important that the company remains under British control. That has always been the position.

On the question of timing, we hope to get this industry into the private sector as speedily as possible. As to the suggestion that it is an attempt to boost our electoral prospects, the only boost will be if the Opposition are foolish enough to promise that they will nationalise the industry again.

Mr. T. H. H. Skeet (Bedfordshire, North): I congratulate my right hon. Friend on his proposals, but may I ask him to bear in mind three crucial matters: the operation of pipelines — I hope that there will be common carriers—future oil discoveries and the export and import of natural gas?

Mr. Walker: These matters will be considered before any issue of shares. The common carrier proposals in the present legislation will continue to operate.

Mr. Bruce Millan (Glasgow, Govan): The right hon. Gentleman mentioned efficiency. Is it not a fact that British Gas has been outstandingly efficient, and would have been even more efficient had it not been for the dogmatic intereference of the right hon. Gentleman; for example, over its oil interests and the gas levy?

What possible justification can there be for converting a public monopoly into what will be virtually a private monopoly, unless it is the Government's obsession with short-term financial gain because of their long-standing obsession with the public sector borrowing requirement?

Mr. Walker: If the management and employees of British Gas pursue matters efficiently and effectively, is it not right that they should be given a personal stake in that success? Is it not good that management and all those employed in the corporation should have some direct benefit and result from their improved efficiency and an incentive to apply it to the full?

The right hon. Gentleman accused the Government of interfering in a way that damaged the corporation's efficiency. I could cite many examples from 1974 to 1979 when the Government of which he was a member had all sorts of interventionist pranks with the BGC. That is the horror of nationalisation.

Mr. David Heathcoat-Amory (Wells): I congratulate my right hon. Friend on his proposals, which will provide an opportunity to increase the number of shareholders in British Gas from one to many hundreds of thousands, thus creating a genuine measure of public ownership. Can he confirm that gas consumers in the south-west of England will continue to have access to gas supplies after denationalisation? Will the price in that area continue to be roughly the same as in the remainder of the country?

Mr. Walker: Yes, I can confirm both points, and the legislation will ensure that that remains the position. For the south-west and elsewhere in the country, the current positions for supply and pricing will continue to operate.

I agree with my hon. Friend about the spread of ownership. The reality of the hopes and aspirations of nationalisation in 1945—of there being a genuine sense of ownership for those employed in the industry—has proved a failure, and the ownership has always been in the hands of politicians and civil servants.

Mr. Ian Wrigglesworth (Stockton, South): Will the Secretary of State tell the House how the commercial success and efficiency of the new company can be judged if there is to be no real market for its goods and no real competition? Who will carry out the regulation of prices and of the monopoly? Will another bureaucratic quango do that? How will the consumer benefit if the monopoly still exists?

Mr. Walker: There are plenty of examples throughout the world of privately owned utilities in which there is a regulatory price system having fine performances in efficiency. Efficiency brings rewards to the managers of a company and also to the consumers. A great deal of competition will remain, as there has been for a long time, between gas and electricity.

If the hon. Gentleman is saying that the alliance is in favour of continuing nationalisation, I shall look at that with considerable interest.

Mr. Albert McQuarrie (Banff and Buchan): I congratulate my right hon. Friend on his statement. I am glad that British Gas is finally to be denationalised. Contrary to the view of the right hon. Member for Glasgow, Govan (Mr. Millan), British Gas has been an inefficient organisation in Scotland. I hope that the legislation will ensure that the smaller towns can enjoy gas — something which they cannot do now. What steps does my right hon. Friend propose to take on the question of the many showrooms in towns and cities that will be affected by privatisation?

Mr. Walker: British Gas has recently reduced the number of showrooms as a result of a commercial decision. The Government took action to ensure that the accounts of the showrooms should be shown separately. I think that the corporation will take decisions to improve effectiveness. For example, in a number of recent cases British Gas has undertaken joint ventures with the private sector in retailing and providing services. I guess that under privatisation that will be an increasing trend.

Mr. Dick Douglas (Dunfermline, West): What is the criteria against which the right hon. Gentleman judges the efficiency of an organisation, and will he measure them against the performance of British Gas in return on assets, profitability, safety and customer satisfaction? Can any private concern in the United Kingdom measure up to the performance of British Gas since it was created? How does he propose—if he proposes at all—to restrict incursions by oil companies into the ownership of the company that he will create? The Oil and Gas (Enterprise) Act restricted the incursions of British Gas into the oil industry. Will he give an assurance that the so-called golden share will operate?

Mr. Walker: On the hon. Gentleman's latter point, I believe that, in common with other privatisations, the golden share will operate. On the issue of the North sea, the privatised BGC will have all the freedoms of any other corporation or company, which will be a further advantage.

On the question of criteria, many other companies could probably show that they have done better on return of capital——

Mr. Douglas: Name one.

Mr. Walker: There are plenty. The BGC, like any other corporation, has had its mistakes and its successes. If the management is as good as the hon. Gentleman suggests, it will at last have a system where that is recognised.

Mr. Peter Rost (Erewash): Does my right hon. Friend accept that there might have to be some changes in the tax regime if the Government are to retain their economic rent, bearing in mind that the shareholders, whom we welcome, rather than the Treasury, will be collecting the dividend?

Mr. Walker: The taxation proposals that will apply to the industry will have to be made clear by the Government prior to any issue, and I am sure that that will be done.

Mr. Malcolm Bruce (Gordon): Does the Secretary of State acknowledge that this is a further extension of the Tory party's clause 4? It is an ideological privatisation, not to benefit the industry, but to create current spending out of state-owned capital. Does he not realise that a flotation of this size will distort the stock market, to the disbenefit of the smaller businesses needing venture capital? Does he not recognise that at the end of the day British Gas will still be a monopoly? If it must be regulated, why cannot that regulation and competition be introduced within the public sector?

Mr. Walker: There are substantial resources in the pension funds which represent the interests of those who work in industry. There is a substantial supply of money available to such an enterprise. It will be an attractive and good investment.

There is a general argument that it is rather nice to keep all this in the public sector. By chance, at some time during my political life I happen to have had Cabinet responsibility for virtually every nationalised industry, with the exception of the Post Office — and I am not volunteering for that. All I can say, in no doctrinaire way, is that under all Governments the Treasury and appropriate Departments have crawled over every project and plan and interfered on a considerable scale, which is a great disadvantage to these industries.

Mr. Rob Hayward (Kingswood): I welcome my right hon. Friend's announcement. Did he consider setting up regional bodies rather than a national body, as that would have provided a degree of comparison of operation from different part of the country?

Mr. Walker: Yes, I gave careful consideration to that, but, for a range of reasons, concluded that it was not a positive or practical idea. The reorganisation — which was carried out prior to my time at the Department—to make one network showed savings of probably £1 billion a year. To set up new organisations for each region, to follow that by a period of time within which they all had an opportunity to settle in, and to have considerable price differentials hitting some regions of the country far more than others would, in totality, have created no advantage, particularly when, at the end of it all, one must remember that gas is a product which, whether on a regional or national basis, will not have house-to-house competition.

Dr. Jeremy Bray (Motherwell, South): Does the Secretary of State expect the Gas Corporation to have to pay higher charges for any capital that it raises after privatisation? If not, what assurances can he give about future changes in the tax regime to people who may be considering buying shares? Does he think that the present chairman of the Gas Corporation will be more committed to the gas industry if he has a private holding in it?

Mr. Walker: The present chairman will, of course, decide what he considers to be the advantages or disadvanages, but I should have thought that for any chairman, having all of his employees and members of management being able directly to participate in the firm must be an advantage of outstanding importance. The answer to that part of the hon. Gentleman's question about borrowing is that the cost of borrowing, as he knows, varies depending on the success and quality of the management. The cost of borrowing for highly assessed, quality managements is even cheaper than borrowing from the Government.

Mr. John Watts (Slough): I welcome my right hon. Friend's announcement of this further substantial

[Mr. John Watts]

extension of genuine public ownership. Will he pay particular attention to the need to break the effective monopoly which is enjoyed by the Gas Corporation through its control of the pipelines, which, in spite of the common user provisions, prevents the competitive supply of gas direct from producers to consumers? Will he ensure that, within the new arrangements, there is an opportunity for real price competition between suppliers?

Mr. Walker: I must tell my hon. Friend, having studied the worldwide scene, that he should not overestimate the areas in which there will be two suppliers in competition. I have looked at operations throughout the United States, in the whole of North America, in Australia and in other parts of the world, and it is a myth to pretend that by some wave of the legislative wand there will be massive competition. We had a private sector gas industry in Britain for more than 100 years. From 1847 onwards there has been little competition of the nature described by my hon. Friend.

The provisions of the 1982 legislation are important. I have made it clear that for industrial users and those in areas which at present do not have gas supplies, if competition wishes to come in and supply them that opportunity will be available, and I hope that advantage will be taken of that. I have also said that we will keep the 1982 legislation under review. However, it would be wrong to give the impression that anywhere in the Western world was there lots of competition in gas.

Mr. Gordon Wilson (Dundee, East): One is bound to wonder what the Government will do for cash after they have flogged off and squandered the nation's assets. Will a gas levy be imposed on the private company, and will that company be able to import Sleipner or other gas from the Norwegian sector should it wish to do so and the Government disagreed?

Mr. Walker: Decisions on import and export policies and the future of taxation will have to be announced by the Government before any prospectus is issued.

Mr. Tom Sackville (Bolton, West): Does my right hon. Friend agree that there is no reason for any diminution of safety standards as a result of this measure? Does he further agree that any concern that arises will principally be the result of a scare campaign by the Labour party?

Mr. Walker: I agree with my hon. Friend, and it would be a grotesque insult to the existing management of the British Gas Corporation to suggest otherwise.

Mr. Peter Hardy (Wentworth): The Secretary of State suggested that many other substantial companies had done better than British Gas. Will he name one substantial public company which has equalled the record of British Gas over the last decade? Does he really believe that when these assets have been sold off the profits which will accrue to the shareholders rather than to the Treasury will directly serve the national interest?

Mr. Walker: When the shareholders happen to be the management and employees, and those who administer pension funds, all taking an interest in improving efficiency, and when one removes from British Gas the massive interference of politicians and civil servants that has taken place, there will be advantage to the nation as a whole.

Mr. Tim Yeo (Suffolk, South): In view of the massive success of the British Telecom share sale in attracting the participation of a high proportion of employees, against the advice of their trade union, and introducing an unprecedented number of individuals to the experience of share ownership, may I ask my right hon. Friend to assure the House that the same careful attention will be given to marketing the British Gas issue when the time comes?

Mr. Walker: Yes, I assure my hon. Friend of that. One of the most important aspects is that employees and managers will be able to have a substantial share in their corporation. That will be good, and, as my hon. Friend says, it was a great success with British Telecom. I see no proposals in today's TUC statement suggesting that the workers of British Telecom should have those advantages taken from them. I am sure that those employed in the gas industry will welcome this opportunity to participate in their future success.

Mr. Ken Eastham (Manchester, Blackley): Is the right hon. Gentleman aware that prior to the establishment of British Gas many major British towns and cities successfully ran their own gas authorities? Should an authority desire, in the interests of its ratepayers, to make a bid, will he place any obstacle in the way of that being done? In other words, will it be left to the finance houses to take part in this wholesale looting of taxpayers' assets?

Mr. Walker: If the hon. Gentleman feels that way, he should have opposed nationalisation when it first took place.

Sir John Osborn (Sheffield, Hallam): May I, as one who made his maiden speech on the subject of gas, add my congratulations to my right hon. Friend for his statement today? Since making that maiden speech, whereas oil has been international, natural gas has been too national, particularly in Europe. Will my right hon. Friend consider the possibility of common carrier obligations extending to a European gas grid, with the possibility of domestic and industrial users consuming gas from Norway, the middle east and perhaps even from Siberia?

Mr. Walker: The future export and import policy will have to be carefully considered before the transfer of ownership is made, and a statement issued. We must recognise the importance of seeing that the development of the North sea continues and that there is security of gas supplies to this country. Decisions will be made in that context.

Mr. Max Madden (Bradford, West): Does the chairman of the British Gas Corporation support the transfer of the gas industry from public to private hands? If he does not, will the right hon. Gentleman give an assurance that he will not attempt to gag the chairman in defending his industry remaining in public hands?

Mr. Walker: I do not know of anybody who has succeeded in gagging Sir Denis Rooke.

Mr. Peter Bruinvels (Leicester, East): I congratulate my right hon. Friend on his announcement. Will he do everything in his power to allay the fears of employees of both British Gas and East Midlands Gas and assure them

that they have nothing to be frightened about, but, rather, that they should be encouraged to buy shares because they will be good value? The one problem that I envisage relates to the tariff structure. What will be done about tariffs to ensure that there can be genuine comparison of efficiency after the change comes about?

Mr. Walker: The regulatory authority will lay down criteria which eventually will be examined by the House, and I believe that that will be clearly seen to encourage efficiency, to the benefit of consumers and shareholders in the business. I welcome my hon. Friend's comments about the employees. I am certain that what is proposed will be beneficial to the employees, though doubtless there will be the usual scares about their pension rights and so on. All of those rights will be protected and they will continue, and the employees will know that the business is freed from the sort of Government interference that has not done the industry much good in the past. In addition, they will be able to share in their own success. Any sensible and rational employee in the gas industry should strongly welcome the statement.

Mr. James Lamond (Oldham, Central and Royton): Has the Cabinet taken account of the overall impact of the policy which has just been outlined in relation to British Gas, already carried out in the case of British Telecom, and expected to be carried out in the case of British Aerospace and, possibly, the British Airports Authority? There are to be massive share issues and, apparently, an attempt to attract the small-savers. That must be detrimental to the inflow of funds to organisations such as the building societies. They may have to increase their interest rates to the lenders, and that will have grave implications for those with mortgages. Has the Cabinet taken that into account?

Mr. Walker: If the hon. Gentleman takes that view, he should calculate the effect of large Government borrowings on the same movements and deplore them too.

Mr. Frank Haynes (Ashfield): I do not intend to congratulate the Secretary of State. While the right hon. Gentleman was prancing around in the Ministry of Agriculture, Fisheries and Food a few years ago, like a bull in a china shop, and looking after the interests of the farmers on the Benches behind him, another Minister suggested at the Dispatch Box that a certain sector of the gas industry should be sold off. However, because of the ensuing row in the House of Commons, and the invasion of the House of Commons by thousands of employees from the industry, the Government backed off. If the employees in the industry make it clear to the Secretary of State that they are not interested in privatisation and have already demonstrated against it, will he back off? If not, why not?

Mr. Walker: Provided that the hon. Gentleman, having made the same remarks about British Telecom, will back off now that all the shares have been bought.

Mr. Haynes *rose*——

Mr. Speaker: Order. We all hear things here that we do not like.

Mr. Orme: May we take it from the Secretary of State's answers that there is to be a golden share and that the industry will be protected from overseas takeover? That should be made quite clear.

Secondly, if a private monopoly is allowed to have oil interests, but a public monopoly, which is successful and is investing, is prevented from having the same interests, is there not a contradiction in the Conservative approach?

Mr. Walker: No, I think that it is a very good Conservative approach, and I fully support it.

Mr. Haynes: On a point of order, Mr. Speaker.

Mr. Speaker: I shall take the point of order. However, as no doubt the hon. Gentleman was seeking to discomfit the Secretary of State, I hope that he is not being too thin-skinned about the matter.

Mr. Haynes: Perhaps I should not raise the point of order.

Mr. Walker: If the hon. Gentleman made no criticism of British Telecom and did not consider that the workers were against the change, of course I withdraw. How wise the hon. Gentleman was.

I assure the right hon. Member for Salford, East (Mr. Orme) that there will be appropriate legislation to ensure that there can be no foreign takeover.

Mr. Haynes: On a point of order, Mr. Speaker. The right hon. Gentleman made an accusation that is not true. If he had said "The Labour party", I would not have protested, but he referred specifically to me. What he said was not true and I ask him to withdraw it.

Mr. Walker: Of course I withdraw it. I congratulate the hon. Gentleman on not being associated with the Labour party.

Mr. Haynes: Further to that point of order, Mr. Speaker. The right hon. Gentleman is answering in the same vein, and that is not being honest at all. That is being crooked.

Mr. Speaker: Order. No, it is not being crooked. The hon. Gentleman must not make that accusation. I think that, on reflection, he will withdraw that word.

Mr. Haynes: I withdraw it. I should have said "deceitful".

Legionnaire's Disease (Stafford)

4.53 pm

The Minister for Health (Mr. Kenneth Clarke): I will, with permission, Mr. Speaker, make a statement about the outbreak of Legionnaire's disease in the Stafford area.

From mid-April onwards the Mid-Staffordshire health authority has had a series of admissions to its hospitals of mainly male and mainly elderly patients with acute respiratory illness. The combination of pneumonic and other symptoms suggested that one of the organisms responsible could be legionnella pneumophila. Investigations also showed cases of influenza B. Legionnaire's disease is difficult to diagnose with certainty at the beginning of an outbreak because blood tests on living patients do not provide confirmatory evidence until two to four weeks after the onset of the illness. It was not until 3 May that the first positive evidence of Legionnaire's disease was obtained and a positive diagnosis of the disease was then made in 12 cases.

On 29 April the health authority contacted the communicable disease surveillance centre at Colindale which is the national centre of expertise in this field. The following day two doctors from Colindale began their investigation in Stafford. They were asked to support the health authority in the efforts that it was already making to diagnose and trace the source of the disease. After 3 May, the team from Colindale was increased and intensified its efforts to identify possible sources of the outbreak in the community. These investigations are still continuing. One probable source that has been identified is the water in the cooling towers of the Stafford district general hospital's own air conditioning system. This and all water supplies at the hospital have therefore been tested and heavily chlorinated. The hospital has now been declared safe by the Colindale team and the Health and Safety Executive.

By 10 am this morning, a total of 30 people showing the symptoms of acute respiratory illness have died since the beginning of the outbreak. Of these, six are confirmed cases of Legionnaire's disease. A total of 130 people have been admitted to hospital with the symptoms. Seventy-four are still in hospital, of whom two are in intensive care. The indications are, however, that the outbreak is now under control. Seven patients have been admitted or transferred to Stafford general hospital during the last 24 hours. Sixteen patients have recovered sufficiently to have been discharged.

I have spoken to the chairman of the Mid-Staffordshire health authority and I am confident that the authority is doing everything necessary. I should like to pay tribute to all the authority's employees, and in particular to the nursing and medical staff, who have worked throughout the period to treat the patients and keep the Stafford hospital open.

The first priority so far has been to deal efficiently with the outbreak and positively to identify the source of the infection. Once we are completely satisfied that this has been done, we will need to inquire into the outbreak in detail, and to consider what lessons can be learnt from it. The exact form, composition and terms of reference of the inquiry can most sensibly be settled when the immediate task is complete. The patients, their families and the public will wish to have the full history of the outbreak. We and health authorities will want to know what further steps might be taken to minimise the risk of any similar occurrence anywhere in the future. I expect, therefore, to make a further detailed announcement about the inquiry as soon as possible.

I am sure that the whole House will join me in expressing sympathy with the families of the victims of this tragic outbreak of disease in Stafford.

Mr. Frank Dobson (Holborn and St. Pancras): I am sure that all hon. Members will wish to join the Minister in expressing sympathy for the victims of the outbreak, and their families, and in paying tribute to the NHS staff who have worked so hard to try to save the lives of those affected.

It is also right that people should concentrate for the moment on combating the outbreak. However, people in the Staffordshire area, and perhaps further afield, will not be really reassured until there has been a thorough-going and independent inquiry into the outbreak. People will not be satisfied with a local internal inquiry conducted by the health authority or an inquiry conducted by the regional health authority.

I should like to ask a number of specific questions. The Minister may not be able to answer all of them today, but the inquiry will need to consider them. What was the cause of the outbreak, and how did it spread? When did the health authority first suspect that the outbreak was not influenza? If the health authority had suspicions before 29 April, when it first contacted the communicable disease surveillance centre, why was there delay in contacting the centre? Have the tests on the cooling tower water provided positive proof of an infection in the water system? Is the health authority's own pathology laboratory sufficiently well equipped and staffed to cope with the outbreak? Did the Stafford general hospital follow the DHSS guidelines for keeping the cooling towers clean? In any case, are those guidelines adequate? Have checks been made at other hospitals of a similar design, of which there are a substantial number? Are checks to be made on other forms of cooling towers and cooling systems, whether commercial or industrial?

Until those questions have been answered, people in Stafford and others interested in the outbreak are not likely to be satisfied.

Mr. Clarke: The hon. Gentleman accepted that a number of his questions anticipate the outcome of the inquiry, so I shall not go into detail on those matters. I have discussed the issue with my hon. Friend the Member for Stafford (Mr. Cash) and we have talked about the form of any inquiry. It turns out that the hon. Member for Holborn and St. Pancras (Mr. Dobson) agrees with me and my hon. Friend that the inquiry must be independent, which almost certainly means that members will not be drawn from the regional or the district health authority.

The only matters about which I wish to delay are the composition and terms of the reference of the inquiry. Only after the whole thing has been dealt with at Stafford shall we be certain of the sort of expertise that we shall require on the inquiry team. We shall then know to what extent they will be considering health matters or engineering matters and so on, and we shall be able to get the right people together.

Questions about the cause of the outbreak and steps taken to identify and diagnose the disease will have to be

addressed by the inquiry. The hon. Member for Holborn and St. Pancras will appreciate that the people of Stafford were taking steps from the moment they began to realise that there was an upsurge in numbers, and he will appreciate the difficulties in positively identifying and diagnosing Legionnaire's disease and distinguishing it from other forms of apparent pneumonia. The details mentioned by the hon. Gentleman will be addressed by the inquiry.

We do not yet have the results of the tests on the water in the cooling towers, but no doubt we shall receive the results soon and find out whether they are positive and whether they confirm the identification of the cooling towers as the probable source of the infection. The epidemiological evidence is compelling and makes it almost certain that the cooling towers were the source.

There are departmental guidelines, and they were circulated to all authorities after an outbreak in Kingston upon Thames in 1980. As far as I am aware, the guidelines have been complied with, but, again, the inquiry will look into that. One result of the tragic outbreak may be that we shall have another opportunity to assess the adequacy of the guidelines and to update, strengthen or adapt them, as proves necessary.

Purely as a precaution — and one that the hon. Member seemed to be urging — we intend in the next day or two to write to the managers of every district health authority drawing attention yet again to the guidelines and making sure that the necessary inspections, tests and chlorination are being carried out on cooling towers of the type at Stafford.

Whether it will be necessary to look again at the design of new hospitals, cooling towers and air conditioning systems in a wide range of modern buildings will be discovered only in the fullness of time when there has been the most exhaustive inquiry into the outbreak.

Mr. William Cash (Stafford): I am grateful to my right hon. and learned Friend for making a statement and for agreeing to the independent inquiry for which I have called over the past week. I am also grateful for the effective and immediate advice tendered to the district health authority by the Government and their officials. Has my right hon. and learned Friend any idea when the inquiry is likely to take place?

Mr. Clarke: I am grateful to my hon. Friend, particularly for his tribute to the assistance given by the people from Colindale in the most valuable scientific and medical support that the Department was able to give to the people struggling with problems in Stafford.

We do not want a great delay before the inquiry is held, because we do not want memories to fade or details to be lost. I expect to be able to make the further announcement to which I referred — about the form and terms of reference of the inquiry — within the next week or two, assuming that we are able to clear up the remaining doubts about the outbreak and its resolution over the next day or two. After that, it will be a matter of logistics to get the inquiry under way as soon as possible.

Mr. Michael Meadowcroft (Leeds, West): I associate my right hon. and hon. Friends with the Minister's expressions of sympathy.

The institution of an inquiry must be sensitively timed, though I accept what the Minister said about the need for some speed. Will he consider making the inquiry's terms of reference sufficiently wide to take into account the possibility that this disease, like others, may have originated in non-industrialised countries? Increased mobility, let alone altruism, perhaps necessitates preventive measures and effective health care being looked at globally rather than in our country alone. Might not some of the new health problems that we are experiencing be coming from abroad and should we not consider carefully whether action needs to be taken beyond our shores?

Mr. Clarke: The disease has been positively identified only in fairly recent times, but it appears to be a particular problem in modern buildings, with modern air conditioning systems and showers. I have no doubt that everything learnt from such outbreaks in this country and in other countries has to be used on a worldwide basis. It is only from such occurrences that we learn how to protect ourselves against them. My hon. Friend the Parliamentary Under-Secretary of State for Health and Social Security is attending the World Health Assembly in Geneva this week, and no doubt he will take the opportunity at the margins of the meeting to discuss experience of Legionnaire's disease throughout the world.

Mr. Patrick Cormack (Staffordshire, South): I associate myself with the expressions of sympathy that my right hon. and learned Friend has properly uttered. Is he aware that for many years my constituents and others in Staffordshire were waiting for the hospital, that many thousands of them are grateful for the extraordinarily fine care that they have received as inpatients and outpatients since it opened, but that they are deeply worried about what appears to be a terrible problem emanating from the most modern of buildings?

I thank my right hon. and learned Friend for saying that the inquiry will be independent, but I urge him to ensure that it is thoroughly independent and that someone such as a High Court judge is asked to preside over it.

Mr. Clarke: There is a tragic irony here. We have a magnificent new hospital and there is a strong probability that one feature of it has proved to be a cause of disease. I reassure my hon. Friend's constituents that the water systems for the tanks have been drained, refilled and heavily chlorinated; the whole water system has been chlorinated; and the temperature in the hot water system was raised to a level that killed off the organisms that cause the disease. The system has been declared safe by everybody, including the national experts from Colindale. There is no continuing risk to health.

I entirely agree with what my hon. Friend said about the independence of the inquiry, and I shall comply with his request.

Mr. Jack Ashley (Stoke-on-Trent, South): I associate myself with the Minister's expressions of sympathy.

Is it not ironic that people going into hospital for a cure contract a disease instead? Is the Minister aware that that is happening frequently and that, according to a letter sent to me by the Secretary of State 18 months ago, 10 per cent. of patients in British hospitals acquire infection on entering hospital? Will the Minister take the advantage of this opportunity to deal with the major problem of hospital-induced disease and try to make hospitals safer for patients?

Mr. Clarke: The right hon. Gentleman is correct in saying that there is a problem of infection in hospitals.

[Mr. Clarke]

Everybody in the NHS is aware of that and devotes considerable attention to reducing the infection incurred by patients.

I know that the right hon. Gentleman does not wish to cause needless alarm. He knows, though some members of the public may not, that some of the infection that makes up the near 10 per cent. figure is trivial and minor. Nevertheless, I would not minimise any of it. As Legionnaire's disease is a newly discovered and particularly difficult infection, we must make sure, in the light of the Stafford tragedy, that we reduce the risk to a minimum in future.

Mr. John Heddle (Mid-Staffordshire): On behalf of my constituents in Stone and Rugeley in particular, many of whom work in the hospital and a number of whom have been bereaved, I should like to associate myself with my right hon. and learned Friend's remarks.

According to national press reports, the problem may have arisen from the air conditioning system, as my right hon. and learned Friend said, but that system was investigated and serviced as recently as January this year. Will the inquiry therefore establish that that investigation was thorough and proper rather than simply cursory and of a general nature? Secondly, will he take account of the fact that within easy reach of the hospital there are two power stations, Rugeley and Meaford, both in my constituency, and therefore that there might still be a possible risk of some atmospheric conditions emanating from the cooling towers there, and will he ensure that this wide-ranging inquiry considers that aspect also?

Mr. Clarke: On the available statistics, there is a strong probability that the cooling towers at the hospital were the source of the infection. Until we have the results of the tests, we cannot be absolutely certain. But, of course, we will not eliminate the continuing search for other possible sources of infection.

There are guidelines about the inspection and chlorination of water systems in hospitals. We will want to make sure, first, that they were complied with, and, secondly, that they are adequate, although, of course, one can never guarantee that an infection will not arise a day after a thorough inspection has been carried out. Any lessons that are drawn from this incident may well have wider application to buildings other than hospitals, because the problems with most air conditioning systems and large accumulations of water, as in cooling towers at power stations, can all give rise to Legionnaire's disease in some circumstances.

Mr. Mark Fisher (Stoke-on-Trent, Central): Is the Minister able to say over what period of time the cooling ponds and towers may have been defective? Is he able to identify the number of people visiting the hospital who may have been at risk in that period, and so reassure people, certainly in my constituency and in neighbouring health authorities, that the problem will not spread?

Mr. Clarke: I am not able to give absolutely positive answers to those questions, because they are no doubt matters that the inquiry will examine.

The health authority became aware of this upsurge of people with pneumonic symptoms in mid-April. It peaked towards the end of April, and it is now falling away again. None of the staff appears to have contacted any problems of this kind, and many other people who obviously went to the outpatients' department have had no problem.

One of the features of Legionnaire's disease is that only particular sections of the population appear to be at risk. The young and the fit by and large are often quite unaware of the fact that they have had anything other than a mild dose of flu. Therefore, it may well be that no one will ever be able to give completely positive answers to the questions that the hon. Gentleman has asked.

Mr. Gerald Howarth (Cannock and Burntwood): A number of my constituents in Cannock have been affected by this terrible disease. I have been asked by some of them to express to the staff involved the tremendous appreciation of those who have been bereaved at the efforts made by the hospital staff in difficult circumstances.

I very much welcome what I took to be an indication by my right hon. and learned Friend that there will be an independent inquiry. I am sure that bringing minds to bear on this problem from outside the Health Service could well be advantageous and help to root out the cause of this baffling disease. Will my right hon. and learned Friend look particularly at the air conditioning systems not only in the public sector but in the private sector? Lastly, once the causes have been discovered, could we perhaps have an action programme circulated to every hospital and general practitioner in the country, so that the disease can be identified at an early stage?

Mr. Clarke: I am sure that my hon. Friend's praise for the staff of the hospital will be much appreciated.

There is no doubt that we will have an independent inquiry. All that I am reserving today are the names of the members, the exact form of the inquiry and its terms of reference. I appreciate my hon. Friend's concern. As I said a moment ago, anything that we discover as a result of this outbreak almost certainly will have some relevance and application to those responsible for modern hotels or office blocks, and probably other premises.

Mr. Laurie Pavitt (Brent, South): In the light of the increased knowledge that we now have of the whole question of pathology and respiratory diseases and the extra work at Colindale that the Minister has mentioned, can we rest assured that, in the cuts being applied to the Medical Research Council, research in this sector will not be cut back? Secondly, in the light of an answer that the Minister gave to one of his hon. Friends, as the family practitioner committee is no longer part of the district health authority and as more people die from respiratory disease not in but outside institutions, can we be reassured that the same kind of coverage and information will be made available to general practitioners as will be made available to hospital doctors?

Mr. Clarke: This is not the occasion on which to enter into arguments about whether cuts are taking place in the budget of the Medical Research Council. Since 1981 research has been commissioned into aspects of this disease. The results of the studies carried out are now being analysed. We hope to have the results of valuable work following that research by the autumn this year.

On the last point, we have obviously had to make sure that no division of responsibility leads to any division of knowledge or access to knowledge. In fact, the Stafford

district health authority took steps to notify its general practitioners, warning them to watch out for certain symptoms and to inform the health authority the moment that Legionnaire's disease was positively diagnosed. I quite accept that people in the community will be affected as much as those who have been admitted to hospital.

Mrs. Edwina Currie (Derbyshire, South): Does my right hon. and learned Friend agree that this outbreak is a tragedy not only for the people who died and for their families but for the dedicated staff of the hospital who must be deeply upset at the thought that the hospital itself could be the culprit? Perhaps all that it shows is that we know precious little yet about the epidemiology of this disease. Does he further agree that one of the lessons that are bound to be drawn is that spending on the maintenance of hospitals, new and old, is not optional but of the utmost importance, and that maintenance budgets at which no one ever looks and about which no one ever boasts are not in conflict with acute care but an essential part of it?

Mr. Clarke: I agree with both parts of my hon. Friend's question. First, I think that the staff would share her views entirely. Secondly, certain elements of maintenance are essential for safety. All authorities should resist the temptation to make cuts in maintenance which are easier to make than changes elsewhere. As far as I am aware, in this case there is no background of cuts in maintenance or anything else in Stafford. Indeed, Stafford is an authority with a brand new hospital, the hospital which we are discussing, and it has £500,000 more revenue spend this year than it had last year.

Mr. Tim Smith (Beaconsfield): Is my right hon. and learned Friend aware that a company in my constituency, Housemans Burnham Limited, claims to have a product, Hatacide LP5, which is highly successful in controlling the legionella pneumophila bacteria in industrial cooling sytems? Will he see whether this could be used to prevent outbreaks elsewhere?

Mr. Clarke: I hate to say anything for good or ill about my hon. Friend's constituents, but the fact is that none of these biocides has the approval of my Department, although we have considered a number of them. All the advice that I have is that chlorine is the most effective way of dealing with Legionnaire's disease and the organism that causes it, and chlorine is the only product at present recommended by my Department.

Mr. Peter Bruinvels (Leicester, East): Will my right hon. and learned Friend do everything in his power to speed up the decision and judgment of the inquiry because of the fear felt, perhaps unnaturally in certain other parts of the country, by people who may be deterred from going into a new hospital? We all know that hospitals are there to cure. We need the report of the inquiry as soon as possible.

Mr. Clarke: As I said earlier, as a precaution we will write to the general managers of all districts reminding them of the existence of the circular which sets out the frequency with which water systems should be tested and chlorine added. I am sure that we will find that every district is already following those recommendations. Any that are not will be doing so in double quick time and will not wait for the inquiry.

Mr. Dobson: Assuming, as we must for the time being, that the water system and the water towers are the source of the infection, will the Minister give us a clear commitment that he will get in touch immediately with those authorities which have hospitals of a design similar to that of this hospital to make sure that this does not occur in other places?

Mr. Clarke: I will. All that the letter to which I have referred awaits is the necessary typing and postal distribution. We will, as soon as possible, be writing to all health authorities pointing out that they should be examining their sytems every six months and chlorinating them to the recommended level.

Mr. Speaker's Ruling (Written Answers)

5.18 pm

Mr. Speaker: The hon. Member for Sedgefield (Mr. Blair) raised a point of order last Friday, when Mr. Deputy Speaker was in the Chair, about the substitution by the Treasury at about 7 o'clock last Thursday of a new text of a written reply after what purported to be the original reply had been lodged at the proper time, that is, at 3.30 pm. I understand that the facts are not in dispute.

Nevertheless, I have to rule that, in the words of "Erskine May" on page 345,

"any alteration"

—to a written answer—

"must be made orally in the House by the Minister".

The Treasury should not have sought to substitute a new answer by sending it to the hon. Member for Sedgefield at 7 o'clock. I note that the Financial Secretary offered his apologies when the matter was first raised last Friday.

Furthermore, the revised answers should not have been accepted and printed by the *Official Report*. I therefore direct that the original answers should now be printed and should appear in the Bound Volume.

I also understand that the hon. Member for Sedgefield was concerned about the interference with his mail once it had been placed on the Letter Board. No doubt the staff on duty at the Letter Board were seeking to be helpful, but I have to say that they should not have allowed the mail of the hon. Member to be opened in the way in which it apparently was.

Mr. Tony Blair (Sedgefield): I am grateful for your ruling, Mr. Speaker, and I am content to leave these aspects of the matter at that.

CORRIGENDUM

Official Report, 2 May 1985, *Written Answers*, columns *245* and *246*, delete all under the heading "Johnson Matthey Bankers" and insert instead thereof:

Mr. Blair asked the Chancellor of the Exchequer if, pursuant to the answer of the Economic Secretary on 25 April, *Official Report*, column 974, he will list the lending of Johnson Matthey which was there described as extremely unwise and imprudent lending; and if he will make a statement.

Mr. Ian Stewart: No. It would not be proper for me to reveal details of the affairs of JMB's customers.

Mr. Blair asked the Chancellor of the Exchequer whether the inquiries by the Bank of England into Johnson Matthey Bankers have revealed departures from normal prudent banking practice.

Mr. Ian Stewart: Yes.

Mr. Blair asked the Chancellor of the Exchequer (1) what action the Bank of England took prior to the collapse of Johnson Matthey Bankers in pursuance of its duty to supervise the banking system;

(2) whether the review of the arrangements for banking supervision will comment on the justification of the Bank of England's takeover of Johnson Matthey Bankers; and if he will make a statement;

(3) whether the review of banking supervision will deal with the monitoring by the Bank of England's banking supervision department of Johnson Matthey prior to its collapse and the steps it took prior to the collapse to identify and seek to correct Johnson Matthey Banker's difficulties.

Mr. Ian Stewart [*pursuant to his reply*, 29 April 1985, c. *65*]: My right hon. Friend will make a full statement when he has received and considered the report of the review of banking supervision and has nothing further to add at this stage.

Personal Statement

5.20 pm

Mr. Dafydd Wigley (Caernarfon): With permission, Mr. Speaker, I should like to make a brief personal statement.

On Friday afternoon, following some heated exchanges, I was in the process of making representations to Mr. Deputy Speaker, during the course of which I accidently dislodged the hinged wing of Mr. Speaker's chair. That was certainly not intentional, but I wish to apologise to you, Mr. Speaker, and to the House for any discourtesy which may have been attributed to the incident and to give my undertaking that I shall be more careful with the furniture of the House in future.

VE Day—40th Anniversary

5.21 pm

Mr. David Winnick (Walsall, North): On a point of order, Mr. Speaker. I appreciate that you are not responsible for the business of the House, but I seek your advice because of the shortage of time.

I understand that there is not to be a statement in the House tomorrow to mark the 40th anniversary of the ending of the war. It seems strange to me, and no doubt to other hon. Members, that there will be no opportunity for brief exchanges and that an event of such historical importance is to pass without any kind of statement.

I understand that there is to be a service, but, in view of the shortage of time, I hope that the Leader of the House will be prepared to explain why there is not to be a statement. Indeed, I hope that even at this late stage there will be a change of mind on this very important topic.

Mr. Speaker: The hon. Gentleman has information that has not been given to me. Normally I do not know about these matters until 12 o'clock on the day in question.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): I am almost all that stands between the House and the Committee stage of the Finance Bill, so my remarks will not be protracted.

I accept at once that the concern expressed by the hon. Member for Walsall, North (Mr. Winnick) is widely felt throughout the House. The hon. Gentleman will see from the record of what happened 40 years ago, however, that on that occasion the House adjourned for a church service. In many ways, therefore, it seems appropriate that we should repeat that.

Nevertheless, as the hon. Gentleman has raised the matter, I shall look at it again.

Abolition of Forth and Tay Road Bridge Tolls

5.22 pm

Mr. Gordon Brown (Dunfermline, East): I beg to move,

That leave be given to bring in a Bill to abolish tolls on the Forth and Tay Road Bridges.

The Bill is designed to rectify a long-standing injustice whereby Fife is the only county in Britain in which people have to pay tolls on the south as they enter and also on the north as they leave the bridge. Secondly, it is designed to end one of the early, expensive and unfortunate experiments in privatisation, as a result of which motorists crossing have to pay for the bridge four times over—as taxpayers, as ratepayers, as road tax payers and as toll payers. Thirdly, it is designed to remove one of the many Government-imposed barriers to the creation of jobs in Fife, where unemployment is rising faster than in almost any other part of the country.

The Bill also provides an opportunity for Conservative Members to fulfil at least one of their election promises to the people of Scotland. With broken promises on pensions and on rates high in their minds, Ministers may care to consider that more than 10 years ago, at exactly the same time as they promised to abolish domestic rates, the Conservatives gave a specific manifesto undertaking to abolish tolls on the Forth, Tay and Erskine bridges. Since their return to office in 1979, with tolls, as with rates, the Government's response to their long-standing commitment has been not to abolish the tolls but to double them, and then to attempt to raise them again—ignoring all respectable advice, including that of their own appointed officials, that the present system of charging tolls is unfair, inconsistent, inexplicable and economically unsound.

Tolls are unfair because some bridges, such as the Forth and Tay, are subject to tolls, while others, such as Kessock and Ballachulish in Scotland, and many more in England, are not. Tolls are inexplicable because the Government cannot satisfactorily explain to anyone the criteria whereby tolls are selectively imposed. Tolls are also illogical. Their only public justification is that there are exceptional benefits to users, but Ministers have never been able to define those benefits, because they are not definable.

The charging of tolls on the Forth and Tay bridges in particular is unfair, inconsistent and illogical because the roads involved, which the Government say offer exceptional benefits, are essential elements of our national road system. Eleven million vehicles cross the Forth bridge every year. It is indisputably an indispensable part of the British motorway system and it is listed as part of the European system of major roads. It is also the main northerly route for Britain's North sea oil-related traffic. What possible justification can the Government have for continuing to classify the Forth road bridge merely as a private road and accepting no responsibility for its debt, running and repair costs?

When the bridge was first conceived 40 years ago, the then Labour Government offered to pay £4¾ million, which was 75 per cent. of the projected cost of building the bridge. By the time the bridge was completed, that contribution represented only one quarter of the final cost. If the Government were prepared to pay most of the cost in the 1940s when the economic benefits were perhaps

[Mr. Gordon Brown]

speculative, what explanation can the Government now give for their refusal even to reconsider the finances of a bridge which is clearly an essential element of our road system?

The toll system on the Forth is unsound for yet another reason. Uniquely, users of the Forth bridge contribute tolls not just to pay off the £13 million cost of the bridge but to pay off £6 million of debt accumulated in building 8 miles of motorway approach road—a stipulation which the Secretary of State's most recent investigator found extraordinary, unfair and unreasonable. As a result of all this, the Forth bridge, which cost £19 million to build 21 years ago, now has a larger debt than it had when it was completed. Even after 170 million cars have crossed it, paying £34 million in tolls, the debt continues to rise and there is no sign that this trend can ever be reversed.

The only legal constraint upon the Secretary of State when he seeks to push up tolls on the Tay bridge, as well as on the Forth, is the ritual public inquiry, which has become a circular exercise in self-justification. The Secretary of State recommends an increase, he appoints his own reporter to examine the recommendation, he receives the reporter's report and then accepts his original recommendation and raises the tolls.

These bridge tolls should be abolished because they are a tax not only on cars and on travel but on jobs and industry in Scotland. Last week, a monthly rise of exactly 5,000 was reported in the British unemployment figures and half of that increase was in Scotland. More serious than that, 14 per cent. of the overall increase was attributable to three constituencies close to the Forth bridge, including my own constituency, which make up only 0·5 per cent. of the British population.

For the first time ever, there are officially more than 20,000 unemployed in Fife, and I believe that the real figure is nearly 30,000. In the past six years, 12,500 jobs have been lost and as many jobs again are at risk as a result of the threat to Rosyth dockyard and to the mining industry in Fife. The Government's response to this record and rising level of unemployment has been to take from Fife £20 million in regional development grants over the next five years. The Secretary of State, in proposing toll increases, will be taking an additional £1 million in tax from the county of Fife and from bridge users.

The Government's only response to my plea for emergency help for areas in my constituency with 40 per cent. male unemployment was a letter saying that the unemployment figures did not justify a major initiative by the Government. How much higher must unemployment rise before the Government are moved to take action, whether by removing bridge tolls or through direct funding of job creation projects in Fife?

The Government's record on election promises in Scotland is appalling, as the Secretary of State and his Ministers know. The Secretary of State's reputation in London, as he well knows, is that not of Scotland's Minister in the Cabinet, but of a district commissioner for an economically derelict, electorally dispensable northern outpost. If it is within his power to make a small exception to the Government's disastrous record in Scotland, the Bill offers him that chance.

The Bill will bring an end to the expensive privatisation experiment on the Forth and Tay, which has gone so badly wrong, and provide for the future employment security of those who work on the bridge. The cost of abolishing tolls will be small, but the economic benefit in uninterrupted flow of traffic, cheaper fuel bills, reduced administrative overheads and in the encouragement of industry north of the Forth will be substantial.

Perhaps the journey of Conservative Ministers to meet their diminishing band of supporters at the Scottish conference in Perth will be a little easier if they can tell the conference that they will support the Bill, and that, although they cannot fulfil their most recent election promises to the Scottish people, they will at least honour the long-standing one to abolish tolls.

Question put and agreed to.

Bill ordered to be brought in by Mr. Gordon Brown, Mr. Dick Douglas, Mr. Willie W. Hamilton, Mr. Harry Gourlay, Mr. Alexander Eadie, Mr. Tam Dalyell, Mr. Dennis Canavan, Mr. William McKelvey, Mr. John Maxton, Mr. David Marshall, Mr. Robert Hughes and Mr. Ernie Ross.

ABOLITION OF FORTH AND TAY ROAD BRIDGE TOLLS

Mr. Gordon Brown accordingly presented a Bill to abolish tolls on the Forth and Tay Road Bridges: And the same was read the First time; and ordered to be read a Second time upon Friday 10 May and to be printed. [Bill 143.]

Orders of the Day

Finance Bill

(Clauses Nos. 3, 10, 35, 40, 54, 64 and 87 and Schedules 12, 16 and 22)

Considered in Committee

[MR. HAROLD WALKER *in the Chair*]

Ordered,

That the order in which proceedings in Committee of the whole House on the Finance Bill are to be taken shall be Clause 3, Clause 10, Clause 35, Clause 40, Clause 54, Schedule 12, Clause 64, Schedule 16, Clause 87 and Schedule 22.—*[Mr. Peter Rees.]*

Clause 3

HYDROCARBON OIL

Motion made, and Question proposed, That the clause stand part of the Bill.

5.32 pm

Mr. Terry Davis (Birmingham, Hodge Hill): I wish to oppose the clause.

In his Budget speech on 19 March, the Chancellor of the Exchequer announced an increase of 4p per gallon in the tax on petrol and 3½p in the tax on derv. The clause puts those increases into effect.

At the time of his announcement the Chancellor explained that the increase in the tax on petrol and derv was in line with inflation. On such occasions, the Chancellor usually describes that as "indexing." He always uses that word as if it settled all argument and as if indexation were a mysterious fiscal force with which we interfere at our peril. If his argument is accepted at face value, it means that the relationships between one tax and another, between taxes and price levels, and between a tax and a commodity on which it is levied, are fixed, immutable and impossible to change. My hon. Friends and I do not agree.

We believe that it is important for the House to review such taxes from time to time and to consider whether the tax on a particular commodity or activity has been established at the right level. It is time for the House to take a hard look at the taxes on petrol and derv.

We must consider the taxes against the background of the statement of the Chancellor's predecessor, who said that petrol tax is "a selective expenditure tax".

We must also consider the taxes against what has happened since the Conservative Government took office in 1979. At that time the motorist paid about 88p for a gallon of petrol, and the tax was 40p. During the previous five years, both the price of petrol and the tax on petrol increased, but the tax was increased by less than the net price for a gallon of petrol—the price before tax—both in absolute terms and proportionately so that the tax accounted for 44 per cent. of the price at the pump. That was the position at the end of the Labour Government's term of office.

Since then we have had six years of Conservative Government. The pump price of a gallon of petrol has continued to increase. Indeed, it has more than doubled. It has increased from 88p to more than £2. Conservative Chancellors have increased the tax even more sharply. The tax on a gallon of petrol has risen from 40p to £1·07. Under the Conservative Government, the tax on petrol has risen, again in absolute terms and proportionately, by more than the general rate of inflation. Most of the increase in the price of petrol has occurred as a direct result of those tax increases. Taxes now account for 54 per cent. of the price paid by the motorist compared with 44 per cent. six years ago. That is why we now pay £2 for a gallon of petrol.

Mr. D. N. Campbell-Savours (Workington): Does my hon. Friend agree that the wider nature of the deception that has taken place is that, on the one hand, Conservative Ministers talk on television about having reduced income tax while, on the other, they conveniently avoid referring to this draconian increase in tax, which affects the great majority of the population? Is that not a deception?

Mr. Davis: I agree with the thrust of my hon. Friend's intervention. It is a deception for the Chancellor and Treasury Ministers to appear on television and talk about reductions in taxes when they increase a tax which bears heavily on those with the lowest wages.

As a result of six years of Conservative Government, the price of a gallon of petrol is £2. The movement in prices and taxes on derv has been similar. Together, those taxes, as a proportion of the Government's revenue from all taxes, have risen from about 5·5 per cent. to more than 6 per cent.

The fact is that the Government are prejudiced against the private motorist. They are not interested in people who buy their own cars, drive their own cars and pay for their own petrol. They are interested only in people who have cars provided for them, not as a tool of their trade but as a perk of their position.

The Government's record on petrol tax is wholly indefensible. I am not surprised that Ministers are reluctant to come to the Dispatch Box today to explain why they are again increasing the price of petrol. They have already increased the price by more than they should have done, and there is no way that they can use what has happened in the past six years to justify the increase this year.

Nor can Ministers justify this year's increase by pointing to what has happened since they increased the tax a year ago. In recent months, we have seen a massive increase in the price of petrol at the pump, thanks to price increases by all the major oil companies. When we debated the issue in Committee a year ago, the motorist paid about £1.70 a gallon. Now he pays £2 without the Chancellor's tax increase, and with it he pays £2.04. Even without the Chancellor's help, the price of a gallon of petrol has risen by 18 per cent. during the past year—more than three times the general level of inflation. In those circumstances, it is not unreasonable to expect the Chancellor of the Exchequer to forgo any further increase in tax, for this year at least.

Surely we all accept that increases in the prices of petrol and derv are a direct cause of inflation? At a time when inflation is beginning to creep up again, it is common sense for the Chancellor to do everything he can to avoid making it worse. If he is serious about achieving zero inflation, even he must understand that it will never be achieved if he increases taxes for the coming year in line with inflation during the past year.

[Mr. Davis]

The impact of the tax is selective. It was the Chancellor's predecessor, the right hon. and learned Member for Surrey, East (Sir G. Howe), who described it as a selective tax,

"deliberately biased against those living in rural areas"

and

"deliberately biased against those who have no option about the method by which they travel to work". —[*Official Report*, 9 May 1977; Vol. 931, c. 937.]

The Government's record in the past six years shows that they, too, are biased against people who have no option about the method by which they travel to work and against people living in rural areas.

It is not only the people living in rural areas who are affected by the tax on petrol, but it is true that they are affected even more than people living elsewhere. For many people in rural areas there is no alternative to using a car. That is why some of the areas with the lowest average incomes have the highest levels of car ownership. I thought that the Chancellor was claiming in his Budget that he wanted to help people on low wages. What is the point of reducing their national insurance contribution with one hand if with the other hand he insists on increasing the cost of getting to work? Where is the incentive in that? Indeed, why work? But it is not only a matter of getting to work. Children have to be taken to school, people have to get to the shops, to the post office and to the chemist. For people in rural areas, the car is not a luxury; it is an absolute necessity for getting anywhere.

The car is also increasingly becoming a necessity for many people living in urban areas and the suburbs, not least as a result of the Government's attack on bus services through the "Abolition of Public Transport Bill." In short, the Chancellor and the Government do not seem to understand that driving is not in the same category as drinking, smoking and gambling. Taxes on petrol and derv should not be increased automatically—almost casually — by the Chancellor, without thought, without any regard for inflation and without any regard for those people for whom a car is a necessity. That is why we want to delete the clause from the Bill.

Mr. Austin Mitchell (Great Grimsby): I support the extremely perceptive and effective attack on the clause by my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis). We shall be voting against it for several reasons.

The Government's position on the measure seems to be to pass it off as the normal kind of adjustment for inflation, and nothing to bother about—a simple updating of the figures. They are trying to pass it off as something which need not excite any interest or attention. If the Conservative party were in opposition and a similar increase had been proposed by a Labour Government, the Conservative Benches would have been crammed; instead, they are almost empty, giving the impression that there is nothing abnormal about the clause.

The increase in the duty on petrol comes on top of the massive jump in petrol prices which, as my hon. Friend said, has occurred this year. The oil companies seem to get it both ways. When the dollar goes up, they increase the price of petrol at the pump to allow for the increase in the dollar. When the dollar comes down—and it will almost certainly come down even further — there is no corresponding reduction in the price of petrol. The ratchet works only upwards and in favour of the oil companies.

5.45 pm

The dramatic price increase this year has brought us to the £2 gallon of petrol; indeed, in Grimsby, it is over £2. In Grimsby, petrol prices at the pump are substantially higher than in other parts of the country because of the nature of the distribution system. We have within a few miles of Grimsby a major refinery, and our petrol comes from that refinery, but it is still dearer to buy in Grimsby than in areas that are more remote from that refinery.

A gallon of petrol at the Texaco pump in Grimsby costs 204·6p; at the Total pump it costs 203·7p. That is substantially higher than the price that motorists have to pay in the major conurbations; therefore, a grievance will be exacerbated by the increase. The grievance will be felt even more strongly with the elimination of public transport as a result of the Transport Bill.

Public transport has to be cost-subsidised in an age when more and more people have cars. There will be an increasing need for cars as the major carriers, exposed to the pressures of unreasonable competition as a result of the Transport Bill, are forced to increase their prices. The clause has to be smuggled through, as it were, before the disastrous effects of the Transport Bill are felt.

Had the increase been proposed by a Labour Government, there would have been substantial howls of outrage from Conservative Members. The Labour Government's record in increasing taxation on petrol, although it aroused massive outcries from the Conservative party, then in opposition, was far better than that of the Conservative Government. The Labour Government's approach was far more sensible and far more moderate and did not involve the massive increases in petrol taxation which have been carried through by the present Government.

The previous Chancellor of the Exchequer pleaded that he was simply bringing our petrol prices into line with those in other parts of Europe. Since then, prices in Britain have increased to the point where they are ahead of those in several European countries. In the last quarter of last year, the average petrol price at the then prevailing exchange rate, for 4-star or equivalent petrol, was 42p per litre in the United Kingdom. The price has increased substantially since then. In Grimsby it is now 45p per litre. That compares with 36p per litre in Luxembourg and 39·2p per litre in West Germany.

Thanks to the efforts of the Conservative Government, we now have expensive petrol in Britain, and the Government seem to regard the car as a luxury. In places such as Grimsby and in the surrounding country, the car is an absolute necessity for getting to work and for getting around. It is necessary even to get the children to school, given the running down of rural bus services.

Mr. Richard Wainwright (Colne Valley): The hon. Gentleman is making a powerful plea for market forces to be allowed to have their way. He has just praised, by inference, European countries where market forces rule. Does it not enter his mind that where a commodity is accepted as being both essential and strictly finite in the quantity available there might just be a case for introducing some planning and, through the tax system, some measure of Government interference?

Mr. Mitchell: The Liberal party now seems to be arguing for higher duties on petrol, whereas in 1977 it used its participation in the Lib-Lab pact to argue for lower duties. It is an example of the intellectual equivocation in which the Liberal party indulges from time to time. There is a case for adjusting the duties in the light of the heavy increase in petrol prices that has occurred in the past year. The hon. Member for Colne Valley (Mr. Wainwright) described petrol as a finite resource. He should read the article by Professor Odell in the latest *Lloyd's Bank Review*. Professor Odell tells us that petrol reserves increase year by year. The cry that we should tax a finite resource to discourage use is one which I cannot accept. It runs exactly contrary to my argument.

The increase in total tax on petrol, including VAT, has been 67p in the Government's lifetime. The tax take, including VAT, that they inherited from the previous Labour Government was 39·9p per gallon in May 1979 and it is now 106·7p. That is a ludicrous level of tax, including VAT, when we consider that the £2 gallon is with us.

We must vote against the clause as a protest on behalf of the average motorist. The business user will not be hit by the Government's proposals; he is the friend of the Government and he is heavily subsidised by them. He will not feel the effects of the increase in price. The Opposition speak for the average motorist, many of whom have older cars and live in areas where there is inadequate public transport. For many such motorists their car is a daily necessity of life and they are finding the costs of motoring an increasingly difficult burden to bear, especially in the light of the petrol price increases which have been sanctioned by the Government and which are now to be supplemented and heightened by the proposals in the clause.

Mr. Campbell-Savours: The intervention of the hon. Member for Colne Valley (Mr. Wainwright) was fascinating. It revealed current thinking in the Liberal party on what its position should be on items that are scarce. Apparently the hon. Gentleman thinks that taxation of a finite resource is a way of dealing with price and supply. That is exactly the argument that would be deployed for charging higher prices in times of food famine. I find it hard to believe that the Liberal party would wish to subscribe to such a crude use of market forces in the curtailment of demand. However, the hon. Gentleman's intervention is on the record, and unless he seeks to intervene in the debate we must take it that that is his finite position. Indeed, it will so be pressed at the time of the next general election.

The price of diesel has strong regional industrial cost implications. When the Minister replies he should address himself to the argument that I am about to advance, which is advanced also by many in industry, especially in manufacturing industry, who are not within our central conurbations. I understand from the excellent presentation of my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) that 47½ per cent. of the price of diesel is tax and that the tax take has risen from 41·9p in 1979 to 93·4p in 1985, which is substantially more than double.

Who is affected by the increased tax take? We know that a small minority of the population has diesel cars. The greatest consumer of diesel or derv is industry. The larger the capacity of a heavy vehicle and the further that that vehicle has to travel to deliver the goods which it carries from the point of manufacture or distribution to the point of receipt — for example, the retailer or central wholesaler — the greater are the costs that fall upon industry. If a bed manufacturer in Slough, for example, sends a container of beds to London, he will pay far less for the distributiion of the beds than a similar manufacturer in Cumbria, the north of Scotland or Wales, because the distance travelled by the lorry will be further when it leaves the manufacturer in Cumbria, the north of Scotland or Wales.

When we impose higher taxes on diesel, we are increasing disproportionately the costs that fall on the industries which exist far from the centres of population and our central markets. Inbuilt in the price of diesel should be a form of regional consideration which takes into account the special problems within manufacturing industry in the regions.

I took the example of a bed manfacturer for a particular reason. The bulkier the goods, the more aggravated becomes the condition. Almost invariably the bulkier the goods, the lower the price of the load. That means that the cost of transporting the load from a major plant in the regions back to the central area is proportionately greater. That must apply when it is transported to our main conurbations and our principal markets. These are considerations which Governments should take into account when formulating policy on the price of diesel.

The inbuilt regional disincentive is aggravated further by the tax increase which has been imposed on heavy vehicles. It is so large that it will lead to an increase in costs for manufacturing industry that will be disproportionate in the outer regions. The calculations which were undertaken by a newspaper — I hope that they are accurate — show that the tax increases imposed on the operators of heavy lorries have been between 9 per cent. and 29 per cent. For a 15 to 17-tonne lorry, the rate of duty will increase from £850 to £1,330, a 21·1 per cent. increase. For a three-axle, 23 to 25-tonne lorry, duty will be increased from £1,250 to £1,610, a 28·8 per cent. increase. For a 29 to 31-tonne vehicle with four axles, duty will be increased from £2,100 to £2,420, a 15·2 per cent. increase.

These figures have a direct bearing on the clause because collectively they operate to the disadvantage of producers in the regions who have to carry higher and higher costs. To go on and on about environmental damage and the need for hauliers to pay for the environmental damage that they inflict is entirely to ignore the impact upon hauliers of the new regime of taxation. It might seem that I am taking a minority position and that hauliers, with their large trucks, might be unpopular environmentally. However, they are extremely popular in areas where their work is essential in servicing the infrastructure of manufacturing industry, which are invariably areas of high unemployment.

When introducing his Budget the Chancellor of the Exchequer said that his proposals for heavy lorries would deal with the environmental damage that they cause. However, I hope that the Minister who replies will take into account the arguments that I have endeavoured to advance, which will be echoed by hauliers throughout the regions of the United Kingdom, and certainly in my constituency.

One of the most remarkable features of the past few years has been the public's complete lack of response to the substantial increases of tax levied on petrol. It has

[Mr. Campbell-Savours]

increased from 39·9p to 106·7p a gallon, or 167 per cent. That is substantially greater than the rate of inflation during the same period. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) mentioned the differential of 1p in the price of petrol at garages in his part of the country.

Mr. Austin Mitchell: My point chimes in with what my hon. Friend said about derv. The increase in the tax on petrol and derv is an especially heavy burden on parts of the country such as we represent as we depend heavily on transport. In my part of the country, motorists already pay substantially more on average for petrol, even at discount garages, than do motorists in metropolitan areas.

6 pm

Mr. Campbell-Savours: I am not convinced that we are paying substantially more. I remember when we were paying substantially more. I can remember differentials of 10p or even 15p a gallon between parts of Scotland, the north-east, Cumbria, the midlands and the south. The differentials still exist, but they are small—only 1p or 2p. Why are there no longer large differentials? Is an unofficial cartel in operation in the market? Have petroleum producers agreed to ensure that competition is not so strong that their margins are interfered with?

I have read reports today that petrol companies are beginning to get back into profitability. Will that have a bearing on prices paid by consumers? If there is an unofficial agreement between petroleum manufacturers and distributors, that may constitute an anticompetitive practice under the terms of the Competition Act 1980. That Act provided that, when it could be established by the Director General of Fair Trading that an anticompetitive practice existed, the Secretary of State could act to stop it.

Will the Minister consider whether there is scope for a reference under the 1980 Act to establish whether an anticompetitive practice is being run? If there is, the public must be informed. It would not be in the public interest to retain it. The only person who can know whether there is such a cartel is the Minister as he has privileged access to information. Britain does not have a monitoring programme to ensure that the public interest is protected. In the present conditions of reducing competition, the Government should seriously consider such a programme to protect the public.

We should consider the effect of increased taxation on rural dwellers. Many of them travel substantially more than the 9,500 miles a year which motoring organisations regard as average. Those who cannot afford to use cars must use buses. They are now required to bear the brunt of a succession of Government initiatives on bus policy.

We had the cut in bus grant in 1981, which damaged the ability of municipal undertakings and bus operators to buy buses, and there has been a cut in transport supplementary grant, which has an effect on revenue support for buses in rural areas. The buses Bill is in Committee and also affects rural areas. We should bear in mind all of those measures when considering the Budget.

This is one year when the Government could have forsaken tax increases such as these to safeguard regional industry and the interests of the travelling public. They have failed to do so, and the public will now have to decide what to do about it.

Mr. Stuart Randall (Kingston upon Hull, West): I should like to speak as a Socialist who represents a deprived part of the country where male unemployment is about 20·6 per cent. and where there is unusually low car usage. I know from my constituents that the Government's imposition of tax on petrol, which has led to a £2 gallon, has hit them hard, especially the less well off and those who live on unemployment benefit.

It now costs £16 or £18 to fill the tank of a small family car. For people earning perhaps £60 a week, that is a substantial proportion of their income. As my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) said, a car is no longer a luxury. It is a necessity, especially for people who live in rural areas. Bus services have been reduced in many rural areas. Many people, especially the elderly and those on pensions, face difficulties when they have to go to the chemist to collect a prescription. The increase in petrol prices has hit them pretty hard.

People who live on family income supplement simply cannot afford to fill up the petrol tank after having paid the other bills associated with owning a necessary car. The Government have increased taxation far more quickly than did the Labour Administration.

Let me examine Government revenue, using 1975 prices. In 1974-75, Government revenue from taxation on petrol and derv was just over £1·5 billion. When the Labour Government left office in 1978-79, the figure had dropped to about £1·4 billion. Now, in 1985-86, with the increases referred to in the Bill, the revenue has gone up to £2 billion. At constant 1975 prices, that is an increase of about 43 per cent. I believe that people in my constituency are pretty unhappy about that increase.

In west Hull we also have industries. Hull is a pretty entrepreneurial place. It always had a fairly wide base of industries. We all know that these days we have to keep costs down to be able to employ people and make profits. The increases in fuel costs which the Government have created through higher taxation mean that our industries are less able to compete with countries in Europe and with the United States. Those who have been in the United States will realise how low the cost of fuel is there compared with this country.

In the Bill, the Government do not encourage the use of derv. At the moment the Government are not showing discrimination in favour of a fuel which is basically very economical. There is now an increase in the number of private cars using diesel. There is the disadvantage of the diesel knock and lower performance than one gets with a car using petrol, but I should like the Government to take steps to encourage the use of diesel cars. The gap that one saw even as recently as a year ago is being eroded. That is very sad, because there are strong environmental arguments, which I shall not develop now, but which are important, for using diesel fuel.

The point touched on by my hon. Friend the Member for Workington (Mr. Campbell-Savours) is also important. At the moment the regions could be helped, particularly when one takes into account the way in which industry has moved to the south and the way in which the regeneration of industry seems to be taking place in the south rather than in the north.

If one looks at the total tax on petrol and derv, including VAT, one can see that from May 1979 to May 1985, in pence terms, the increase in petrol has been 67p, and the

increase in derv 52p. I ask the Minister to consider widening that gap so that there is greater discrimination in favour of diesel vehicles, for the reasons that I have given.

Mr. Campbell-Savours: Is my hon. Friend aware that another system is used by the Icelanders, and by people in some other countries, too, whereby a substantially greater cost is attributed to the tax disc, and the price at which diesel is made available is the heating oil price? The effect is that high user vehicles are invariably diesel and there is an incentive for manufacturers to ensure that their representatives are provided with diesel vehicles, with the consequent effect on the environment.

Mr. Randall: I am grateful for my hon. Friend's intervention. With a diesel vehicle, one has a higher capital cost and supposedly a low running cost. What seems to be happening is that the running costs are becoming closer to those of petrol vehicles, so that it takes longer to write off the higher capital cost. I see that as a disincentive for people to use diesel vehicles. The essence of a diesel vehicle is that it is more economical over longer distances.

6.15 pm

The Government have claimed that the increases that we have had have been essentially to match inflation. I understand that the tax increase in petrol and diesel alone amounts to only about £250 million. Bearing in mind the large increases in petrol and oil costs, I would have hoped that this time the Government would help people and industry, and encourage the improvement of the environment, by using the revenues in a way that would not cause people hardship, would not be a disincentive to using diesel, and would not impose high costs on industry.

Mr. Mark Fisher (Stoke-on-Trent, Central): It is suitable that we are starting our consideration of the Committee stage of the Finance Bill with clause 3, because in this one clause we see the Government raising taxes, particularly indirect taxes, which will hit hardest the lowest paid and people on low incomes in our communities, hindering rather than helping small business, in spite of what the Prime Minister professed in her statement this weekend, and also hindering and hitting rural areas. Those are all things about which we shall continually hear throughout our deliberations in Committee. Therefore, it is suitable that we start with a clause which exemplifies so many of the things that are wrong with the Finance Bill. After that opening statement, the House will not be surprised to learn that the Opposition will oppose the clause, as we shall oppose the Bill all the way through.

I am sure that it has not escaped your notice, Mr. Crouch, that the Government Benches are not packed with hon. Members who are anxious to speak in favour of the clause. Indeed, we have been debating it for more than an hour, and not a single argument has been voiced in support of increasing oil taxes. I suspect that the Minister will be the only person who can rustle up even half an argument in favour of the Government's proposals in the clause. He will lose the argument on this debate and this part of the Bill, although he may hope to carry his hon. Friends with him in the Lobby afterwards.

It is suitable that we are starting with this clause not only because it exemplifies so much that is wrong but because it is about oil. The whole of the Chancellor's Budget, and, indeed, his whole financial strategy, is totally dependent this year, more than any year, on oil. The extreme windfall of the weakness of the pound has increased the money available to the Chancellor from an estimated £9½ billion to £12½ billion. Credit is not due to the Government for that windfall; it was not created by their economic management. It is a windfall of £2½ billion or £3½ billion depending on the level of the pound against the dollar on any day. But for that, the Government would be revealed in the Finance Bill and the Budget as not having an economic strategy, and their failure would be even more obvious and blatant.

The clause is appropriate also because oil has been, apart from the Government's biggest windfall, their biggest failure. Their inability to harness the benefits of that oil to the advantage of the people and manufacturing industry will be the thing most remembered about them in the years to come. In the past six years — many Conservative Members know this, have recognised it and have spoken about it, particularly outside the House, although occasionally they have had the courage to do so inside — the Government have squandered every penny earned from North sea oil. No matter how much they put up the taxes, it will be to the discredit and detriment of manufacturing industry that the Government have maintained such a policy.

The Government have chosen to use oil as a weapon against inflation and to control the supply of money. They have not chosen to invest in infrastructure, and in the manufacturing infrastructure in particular. Every sane Member, on either side of the House, knows what the Government should have done with the oil wealth. The hon. Member for Fareham (Mr. Lloyd) does not seem to believe that that is true, but as a Whip he should know more than anybody else what Conservative Back Benchers feel. He must know that they recognise the desperate and tragic waste of oil revenue over which the Government have presided.

The increase in petrol tax levied by the clause brings the increase in petrol tax for the past six years to 167 per cent. Members of the public may be interested to know that when they buy their petrol at around £2 a gallon, £1·06 goes to the Government. As they do that every day and see over 50 per cent. of the cost of their petrol going to the Government, they might ask themselves what the Government are doing with those taxes and to what extent industry is benefiting from the use of those taxes by the Government.

I am anxious to hear what the Minister will say in defence of this provision. In particular, when he comes to defend this sad but mercifully brief clause in a long Bill, will he explain what research his civil servants have done on the transport costs to manufacturing industry? Will he own up to the fact that there will be knock-on effects for small businesses and for businesses located in rural areas? What will be the impact on transport costs, and therefore on unit costs?

In addition, will the Minister speculate on how far he thinks he can go in milking this sector of tax? The Government are searching for tax revenue, but are reluctant to face the issue of direct taxation. Therefore, will we see the £2.25 per gallon in the lifetime of this Government, or will it cost even more?

I say this more in hope than expectation. The Committee should vote against the clause because it shows that the Government are committed to being the party of

[Mr. Mark Fisher]

higher taxation. It puts up tax, and does not help industry or the small businesses which the Prime Minister has said she wishes to help. She must know that, by putting up petrol costs, and therefore transport and distribution costs, for the small businesses which she hypocritically claims she wishes to see get off the ground, she is making it more difficult, not easier, for them to prosper. I hope that we shall see the end of the clause, and I look forward to seeing how the Minister can possibly defend his party—the party of high taxation.

The Minister of State, Treasury (Mr. Barney Hayhoe): I welcome you, Mr. Crouch, to the Chair during our considerations on the Finance Bill. I trust that you do not have to occupy it for quite as long as some of your predecessors did last year.

The hon. Member for Stoke-on-Trent, Central (Mr. Fisher) said that it was appropriate to begin our discussions with this clause. I do not dissent from what he said in that regard, although I do not accept many of the exaggerated and rather absurd arguments that he then deployed.

It was interesting to see the hon. Member go through the ritualistic assertions always made by the Opposition—certainly made by my hon. Friends when we were in opposition—that the Government are rather short of supporters in these debates, and the Opposition are providing most of the content of the debate. I have heard this ritualistic charge made before. I hope that I shall continue hearing it made by Labour Members on Opposition Benches to Conservative Members on Government Benches for many years to come.

As the hon. Member for Birmingham, Hodge Hill (Mr. Davis) acknowledged, the increases imposed by this clause maintain the real value of the yield from oil duties. As my right hon. Friend the Chancellor said in his Budget speech, they do no more than keep pace with inflation. I can confirm to the hon. Member for Kingston upon Hull, West (Mr. Randall) that the increases are expected to increase revenue in a full year by £250 million, although I would not agree with his comment that it was "only" £250 million. It is a sizeable sum, of which petrol will yield £200 million and derv £50 million.

The immediate effect of the duty increases on the retail price index is about one tenth of 1 per cent. This is solely due to the petrol increase because derv is not represented in the RPI, although there is an indirect effect which is difficult to quantify and depends on the extent to which, and how rapidly, businesses pass on the increased fuel costs to their customers.

The increases on petrol and derv are no more than are required to revalorise the duty, having regard to the RPI movement during the past year. The oil duty is a significant revenue raiser, the total estimated yield being nearly £6·5 billion in 1985-86. It would be difficult to raise an equivalent amount of revenue elsewhere, and successive Governments have always seen oil as a source of considerable revenue.

In view of the comments that have been made, I shall compare what happened here to what happened in Europe. The advice that I have received is that, as a result of the increases in this Budget, the total tax burden—that is duty plus VAT—remains in real terms below the peak reached in 1975, under the last Labour Government. My hon. Friends who have been listening to the debate will be rather surprised, in view of the comments that have been made, to hear that, despite the significant increases that I accept have been made, in real terms we have not returned to the peak achieved at the end of 1974 and early 1975.

I never like to use statistics unfairly. We can all trade statistics, and I wish only to get the matter into perspective. I accept that there was a sharp peak, from which the price came down.

Mr. Campbell-Savours: That is not true.

Mr. Hayhoe: I would be prepared to produce the figures that I have been given on this by the officials who have worked them out. In real terms, taking the duty at 1985-86 prices, the typical total tax burden per litre is 23·80p at present and was 24·47p at the end of 1974 and the beginning of 1975. In 1970-71, it was a little higher at 25p.

Mr. Terry Davis: When the Minister asks his officials to produce those figures, will he also ask them to reconcile their figures with those contained in the 75th annual report of the Customs and Excise, which show that total net receipts for all hydrocarbon oil duties in 1974, at 1975 prices, were £1,549 million? In 1975, the figure was £1,227 million and in 1985 it will be £1,945 million. I do not expect the Minister to answer my point now, but perhaps he will ask his officials to explain those conflicting figures in the public document.

6.30 pm

Mr. Hayhoe: On consideration, the hon. Gentleman will realise that there is no discrepancy in what we are saying. He is giving total annual figures whereas I was giving a peak figure, which arose when VAT was increased to 25 per cent. at the end of 1974. For a short time, that created an extremely high figure for the total burden. I said that, in comparison, the peak figure attained under the Labour Government was marginally higher than the present figure.

The European comparison, which is also important, was mentioned by the hon. Member for Great Grimsby (Mr. Mitchell) and others. Britain is still fairly low in the European league table. If we consider the retail price of petrol sold at the pump, the price in Britain is below that of Belgium, Denmark, France, Ireland and Italy. If we consider tax as a percentage of the retail selling price, Britain is below the Netherlands, Italy, Ireland, France and Denmark, and just above Belgium.

I have little doubt that, by an ingenious use of the figures, those who would wish to make such a comparison will find that, in some aspects, Britain is higher in the table.

Mr. Campbell-Savours: What about the duty on derv?

Mr. Hayhoe: I am talking now about petrol. The figures for derv are different. One is often aware of the points that the hon. Gentleman will raise before he makes them, and I shall say something about derv in a moment.

Mr. Fisher: I am grateful to the Minister for mentioning tax as a percentage of retail price. Although I am sure that his European comparisons are correct, does he accept that a comparison of the percentage when his Government came to power in 1979 and now is not flattering to the Government? I estimate that the present percentage is about 52 or 53 per cent. of the retail price, whereas in 1979 it was about 39 per cent.

Mr. Hayhoe: It was not 39 per cent. but about 49 per cent. of the retail price in 1978-79. In 1979-80, it was 47 per cent., and then it increased, as the hon. Gentleman said, to the present figure of 53 per cent. However, if he puts down a question, I will gladly confirm those figures or make any necessary corrections. They are the figures that I have in front of me today.

The hon. Members for Workington (Mr. Campbell-Savours) and for Kingston upon Hull, West mentioned the derv-petrol duty differential. The duty differential in favour of derv has been widened marginally from 14p a gallon to 14·6p a gallon, including VAT, which leaves it unchanged in real terms. Therefore, it has not narrowed, as the hon. Member for Kingston upon Hull, West alleged. The differential takes account of the continued need to limit the impact of duty increases on business and distribution costs. However, derv must continue to make a considerable contribution, in the Chancellor's judgment, to the overall yield from motoring taxes. Erosion of the revenue must be contained, and industrial as well as private consumers must be encouraged to use oil efficiently.

To take the point that the hon. Member for Workington had in mind, it is true that the duty on derv in the United Kingdom is almost the highest in the Community. However, we must consider such matters in the round. Several EC countries with low derv duties have higher rates of VAT than does the United Kingdom, and they incorporate provisions in their VAT regimes which prevent VAT from being recoverable as input tax. The block on reclaiming VAT paid on derv applies in several European countries. That complicates the comparison, because, as the hon. Gentleman will know, in Britain it is possible for the VAT paid on derv or on petrol that is used for business to be reclaimed.

The total tax burden on derv is about 93·4p a gallon, but the duty only is 68·9p. The difference of about 24p a gallon is the VAT charge, which is reclaimable.

Mr. Campbell-Savours: Is it not fair and reasonable that, after those considerations have been taken into account, British manufacturing industry should not have to pay a higher net price for diesel than do our European Community partners? Is it not true that, after one has taken into account the complications to which the Minister referred, British firms still pay a higher price for diesel than do firms in other Community countries?

Mr. Hayhoe: I shall have to check that——

Mr. Campbell-Savours: The Minister should know.

Mr. Hayhoe: I do not have the details in front of me, and I wish, as always, to give precise figures to the hon. Gentleman. I can tell him that, in some European countries, the rates for vehicle excise duty—the disc to which the hon. Gentleman referred—on diesel-engined vehicles is higher than those for petrol-engined vehicles. The comparisons are complicated. If the hon. Gentleman tables a question, I should be happy to set this out in tabular form to try to get all the factors together.

Mr. Campbell-Savours: Is not the Minister misleading the Committee? As though to excuse the regime in the United Kingdom, he referred to one group of vehicles, but he did not say that those vehicles were motor cars. We are not discussing motor cars; we are discussing commercial vehicles, and in that sector his argument does not hold water.

Mr. Hayhoe: I am not trying to excuse the position in the United Kingdom. If I wanted to make party points, I would say that, in 1977, instead of there being a reverse differential on duty in favour of derv, there was a reverse differential of 5p a gallon, in the money terms of the day —it was a considerable difference—against derv. The hon. Member for Workington should look at all these aspects in the round. If he seeks to be fair—I know that he often does—he will see—*[Interruption.]* I hope that I do not do the hon. Gentleman a great disservice by saying that, even occasionally, he seeks to be fair. I shall withdraw that expression instantly if the hon. Gentleman is worried. I thought that he had been reselected.

The debate has been extremely useful, and I am grateful to the hon. Member for Hodge Hill for initiating it. This aspect is an important part of our taxation regime, and it was right to have a short debate on it. I commend clause 3 to hon. Members, and I hope that it will be carried by a substantial majority.

Mr. Terry Davis: I, too, welcome you to the Chair, Mr. Crouch.

As the Minister has said, we have had a short debate on this issue. Let us hope that all our debates will be as short. If other Treasury Ministers conduct themselves with as much good humour and equanimity as the Minister of State, I am sure that the whole debate will be brief.

I disagree fundamentally with the Minister of State. The hon. Gentleman said that the Chancellor was "required" to increase these taxes. The Chancellor is not required to increase them. He is not required to revalorise them. There is nothing inexorable about these increases. It is a political decision. It is a decision about priorities. We are not talking about the abolition of petrol tax, as the Minister seemed to imply, but we oppose this particular increase.

I agree that it is a considerable sum—£250 million for petrol, and £50 million for derv. Those significant sums should not be raised in this way. The Minister said that my hon. Friend the Member for Workington (Mr. Campbell-Savours) had a habit of putting points that could always be anticipated. I must admit that I expected the Minister to ask me how we would pay for the abolition of this increase this year, and I will now tell him. We would not ease capital gains tax for those who make a profit of £6,000 or more a year at a cost of £150 million. We would not abolish development land tax for those who make a profit of £75,000 a year from property development at a cost of £50 million. Those sums alone amount to the sum that the Chancellor will obtain from increasing the price of petrol without any regard for those on low wages in rural, urban and suburban areas who have no alternative but to use private cars. This is a political decision. It is a choice of priorities by the Chancellor to increase the tax on petrol, reduce the tax take from capital gains and abolish development land tax.

The Minister made comparisons with Europe. When Conservative Treasury Ministers make comparisions with Europe instead of with their predecessors—the Labour Government—I know that we have won the argument. Therefore, I and my hon. Friends will vote against the clause.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 220, Noes 119.

Division No. 198] **[6.43 pm**

AYES

Alexander, Richard
Alison, Rt Hon Michael
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Baker, Nicholas *(N Dorset)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Benyon, William
Best, Keith
Blackburn, John
Body, Richard
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Coombs, Simon
Cope, John
Cormack, Patrick
Couchman, James
Critchley, Julian
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Dykes, Hugh
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Favell, Anthony
Fletcher, Alexander
Forman, Nigel
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Goodhart, Sir Philip
Gower, Sir Raymond
Greenway, Harry
Griffiths, E. *(B'y St Edm'ds)*
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Hawkins, Sir Paul *(SW N'folk)*
Hayes, J.
Hayhoe, Barney
Hayward, Robert
Heddle, John
Henderson, Barry
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Ralph *(N Norfolk)*
Hunt, David *(Wirral)*
Irving, Charles
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
King, Roger *(B'ham N'field)*
Knight, Mrs Jill *(Edgbaston)*
Lamont, Norman
Lang, Ian
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Marlow, Antony
Mates, Michael
Mather, Carol
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Ridsdale, Sir Julian
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, J.
Taylor, John *(Solihull)*
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes
Mr. Tony Durant and
Mr. Michael Neubert.

NOES

Abse, Leo
Adams, Allen *(Paisley N)*
Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Barnett, Guy
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, R. *(N'c'tle-u-Tyne N)*
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Fatchett, Derek
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foster, Derek
Foulkes, George
Freeson, Rt Hon Reginald
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harrison, Rt Hon Walter
Hogg, N. *(C'nauld & Kilsyth)*
Hughes, Robert *(Aberdeen N)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
Jones, Barry *(Alyn & Deeside)*
Kinnock, Rt Hon Neil
Lamond, James
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Lloyd, Tony *(Stretford)*
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McWilliam, John
Madden, Max
Marek, Dr John
Mason, Rt Hon Roy
Maynard, Miss Joan
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon J. *(Aberavon)*
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin

Orme, Rt Hon Stanley
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Skinner, Dennis
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec

Tellers for the Noes:
Mr. Frank Haynes and
Mr. John Maxton.

Question accordingly agreed to.
Clause 3 ordered to stand part of the Bill.

Clause 10

NEWSPAPER ADVERTISEMENTS

Mr. Tony Blair (Sedgefield): I beg to move amendment No. 2, in page 5, line 16, at beginning insert

'Save in so far as Schedule 5 to the Principal Act applies to the classified advertisements concerning births, marriages and deaths.'.

Failure to accept the amendment will mean that old-age pensioners and families who wish to record death will have to pay 15 per cent. in addition to the price of advertisements. Those who wish to announce or record the happy event of a marriage or birth will also have to pay an extra 15 per cent. As usual, the hardest hit will be those who are least able to pay.

The Government's policy has at least the merit of consistency. They are consistently against the interests of the poor and consistently in favour of the interests of the rich. The imposition of VAT on newspapers will raise a measly £50 million. We should contrast that with the thousands of millions of pounds that have been given to the top 5 per cent. of wage earners to see how inequitable the Government's proposal is.

It is as well to set the amendment in the context of the importance of advertising to our national, local and regional newspapers. In 1983, it was estimated that classified advertisements were worth £584 million to national newspapers and some £817 million to local and regional newspapers. That £817 million breaks down into £430 million for the daily local and regional newspapers, £207 million for weekly newspapers and £180 million for free newspapers. In the regions, 80 per cent. of newspaper revenue comes from advertisements. Figures show that in 1984 there was an increase of about 29 per cent. in advertising revenue for regional and local newspapers.

It is estimated that 20 per cent. of advertisements are private classified advertisements.

Although it is not possible to break down births, deaths and marriages as a percentage of private classified advertisements, they must represent a considerable proportion.

An independent report on regional and local newspapers has estimated that there will be a drop of 5 per cent. in advertising from private individuals and a loss of revenue of about £5 million as a result of the imposition of VAT.

Some 25 per cent. of the staff of regional and local newspapers work in the advertising section. The most dramatic effect of the imposition of VAT will be in ordinary individuals, because births, deaths and marriages are, by their nature, personal and individual.

The state death grant has been disgracefully low for some time, which means that the poorer individuals have to meet a great amount of the cost of funerals. This extra 15 per cent. will impose an additional burden on them. They will not be selling anything VAT-able. Not being businesses or corporations, they cannot offset the VAT against sales. The imposition of VAT on newspaper advertisements must be treated as a direct 15 per cent. tax that must be passed on by the newspaper.

7 pm

We have always had all-party agreement on VAT—which I hope still exists—that we should attempt to exempt or zero-rate items of necessity. That is why there is no VAT on food, despite the mistaken wish of some people. Certainly the Labour party intends to maintain that policy. The same considerations apply to advertisements for births, marriages and deaths. They may not be necessities in the strict sense, but people wish to place such advertisements because of circumstances that plainly make it equitable and fair that special treatment should be given to them.

It is mean and petty to visit this increase upon private individuals. We do not know Government estimates for the revenue from VAT on classified advertisements, but, when discussing the imposition of additional tax, we must balance the revenue with the consequences to the individuals concerned.

I hope that the Minister will deal specifically with the role of the EEC—especially the reasoned opinion of the Commission—in the Government's decision to introduce clause 10. In October 1984, the Commission gave a reasoned opinion that zero rating on certain United Kingdom items should cease. Of course, EEC countries can claim exemption for social reasons or benefit to the consumer. Although the Commission said that newspaper advertisements did not fit within those categories, and should cease to be zero rated, the Government disagreed at that time. If they felt then that they should be zero rated because of social reasons or benefit to the consumer, why have those same considerations not motivated the Government in deciding whether to accept the amendment?

Mr. Robert Sheldon (Ashton-under-Lyne): If the Government wish to counter any action by the Commission, that is the easiest thing in the world to do. The derogation remains, and we can contest any action as much as we wish. The problem arises because the Government agree with the Commission and are helping it to bring to an end some of the exemptions and zero ratings that is wants abolished.

Mr. Blair: My right hon. Friend is absolutely correct. He will no doubt be aware that the Treasury and Civil Service Select Committee, in its report, said that zero rating should remain. I agree that the Government are assisting the EEC in its work. Yet when the Commission first gave its reasoned opinion, because of pressure from, among others, their Back Benchers, the Government said that they would not bow to the EEC. That is an about-turn. It shows that the Government will not pay attention to the

[Mr. Blair]

report of the Select Committee and do not accept that for social reasons and benefit to the consumer zero rating should remain.

Mr. Austin Mitchell: Not only are the Government not taking any notice of the Select Committee, they are not taking any notice of their own officials who, in reference to the Commission's reasoned opinion, said:

"We rely on the belief that our zero-rates are for clearly defined social reasons and for the benefit of the final consumer."

Mr. Blair: I am grateful to my hon. Friend, who confirms my point.

When the Commission first gave its reasoned opinion, the Government were keen to allay the fears of their Back Benchers and not to appear to bow to EC pressure. They were keen to say that the Commission had it wrong and that there were social reasons and benefit to the consumer why zero rating should remain. Therefore, what possible justification can there be for the Government to reverse their position? Either they have changed their mind and no longer accept that there are social reasons or benefit to the consumer, or they believe that, even though there are such reasons, they intend that zero rating should cease.

It is difficult to understand why, when these matters were first published in 1977, there was no objection from the Commission. I understand that my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) was concerned with those matters at that time. The Minister must tell the House the extent of EC pressure on the Government. Do they now believe that there are no longer social reasons or benefit to the consumer, or do they believe that there are still those reasons but they will impose the tax anyway?

The Finance Bill in many ways has crimes of omission in terms of what it should be doing for British industry and the British people which are much greater than its crimes of commission. It is a nothing Budget on the broad scale, but at this level it could have a serious effect on private individuals, many of whom are least able to withstand the economic pressures of our time.

Given the small revenue, the serious effect on the newspaper industry and on consumers, the social reasons why newspapers should remain zero rated, the Government's attitude and the attitude of their officials before the Select Committee, I submit that very good justification must be given by the Minister if he asks the House not to accept the amendment. I wait with interest to hear his reasons.

Mr. William O'Brien (Normanton): I support the amendment because the imposition of VAT on advertising will hit many organisations. Charitable organisations will be greatly affected because they must advise people of their activities, and advertising in newspapers is frequently the means that they use. When, for example, a charity runs a street collection, it must advertise the result of the event. Imposing VAT on newspaper advertising is bound to place an additional cost on charities.

I received a letter dated 22 April on the subject. It said:

"The Government does, of course, recognise the immensely valuable role which charities play in this country."

If the Government take that view, they should help such organisations, not place further financial burdens on them. The letter went on:

"The relief would cost many tens of millions of pounds, which would have to be made good from elsewhere."

That referred to relieving charities from this imposition of VAT. If the Government are sincere in wishing to help such organisations——

The Temporary Chairman (Mr. David Crouch): Order. The amendment deals with applying VAT to certain categories of advertisements concerning births, marriages and deaths. We shall come later to the question of the application of VAT to charities.

Mr. O'Brien: I appreciate that, Mr. Crouch. I quoted from the letter—which was sent to me by the Minister—to show that VAT on newspaper advertising will hit many people in addition to those who wish to notify their families and friends of births, marriages and deaths. The imposition of VAT on small advertisements will place an additional financial burden on those who live in urban and rural areas. I trust that the Minister will comment on that aspect as well as on the more general points made by my hon. Friend the Member for Sedgefield (Mr. Blair).

7.15 pm

Mr. Randall: I, too, support the amendment. I will, during my remarks, use the expression "classified advertisements" to represent small advertisements relating to births, marriages and deaths.

If adopted, the amendment would save the newspaper industry millions of pounds. We are discussing what is essentially a tax on the ordinary person. As my hon. Friend the Member for Sedgefield (Mr. Blair) pointed out, it was suggested in the pre-Budget briefing by Price Waterhouse and Company that the loss of revenue to newspapers as a result of the imposition of VAT on classified advertisements would be about £5 million a year, and that must have a great effect on local and regional newspapers.

It would greatly harm those who are establishing small businesses. In Hull, which, as I have mentioned previously, is an area of entrepreneurs, we are proud of the number of new businesses that are being established. In many instances, new companies are not initially registered for VAT. In any event, when they are first established, they must advertise considerably.

Although the amendment is concerned with advertisements relating to births, marriages and deaths, it is valid to refer to other small advertisements, especially as the Government claim to wish to encourage small businesses. Those establishing small firms will be badly affected by this VAT change.

What effect will this form of VAT have on the newspaper industry? Many newspapers are today embarking on the introduction of expensive high tech equipment. The reduction in profits that will result from this imposition of VAT is bound to have an adverse effect on that form of investment.

This loss of revenue through VAT being imposed on classified advertisements could result in cuts being made in editorial space and, indeed, in the size of newspapers. My principal worry is the effect that it will have on regional papers, particularly those that run on tight margins.

Before coming to speak to the amendment I telephoned the editor of my local paper, the Hull *Daily Mail*, which is a good newspaper of which I am proud. I am happy to say that it publishes everything that I provide.

The Hull *Daily Mail* has a circulation of about 115,000 copies a day. It is a daily evening paper, and part of the

Northcliffe group, which I believe includes 13 newspapers and many periodicals. The editor of the paper intends, if the provision becomes law, to pass the increase on to the customer, initially at any rate, although the newspaper is fairly profitable. The editor deals with these forms of advertising from day to day, and he intends to pass on the increase. The ordinary person will have to carry the can. The Government are imposing yet another level of taxation.

The papers most affected by this tax will be the small weeklies and the free papers. The editor of the Hull *Daily Mail* said that the paid-for papers were being discriminated against because they carried a high proportion of private advertising whereas a number of the free papers tended to deal with commercial advertising. I hope that the Minister will take that into account.

It is important to realise that there has been a phenomenal growth in free papers. I believe that about 700 papers are now produced, employing about 14,000 people full time and about 96,000 part time. The industry is growing rapidly. I hope that the introduction of VAT on advertising will not hamper that growth and destroy the employment opportunities that it provides. I am sure that other hon. Members, like me, find that a new free paper seems to be pushed through their letter boxes every week.

The example that I have quoted suggests that the 15 per cent. VAT is unlikely to be absorbed. Certainly the less profitable papers will not be able to absorb it. They will pass it on.

What about the customers themselves—the people who place the advertisements? There are different categories of classified advertisements, but the area that arouses the strongest feeling is that of births, deaths and marriages. The people who wish to place such advertisements may be on low incomes for whom an extra 15 per cent. will be a serious matter.

A significant number of people live on low incomes. The programme "Breadline Britain" suggested that 7 million or 8 million people are living in poverty. Such people often wish to advertise births, marriages and deaths.

I found out in discussion with the editor of the Hull *Daily Mail* that there is a tradition in Hull of using classified advertisements when a local personality dies. On the day following the death, there is a queue in the department that deals with classified advertisements to put in column inches about the personality concerned. That is a great tradition in west Hull, and the introduction of VAT on this form of advertising will spoil it.

In Hull, the older people like to commemorate silver and golden weddings, for instance. They like events to be recorded for posterity in the newspaper. This form of tax will end that tradition.

For all those reasons, I support the amendment.

Mr. Austin Mitchell: What amendment No. 2 seeks to prevent is a tax on grief and joy, and also a tax on announcements of marriage — an event that arouses emotions somewhere between the two. Effectively it is a tax on feelings, and, as my hon. Friend the Member for Kingston upon Hull, West (Mr. Randall) pointed out in his moving speech, a tax on the expression of those feelings. It would tax the commemoration of the death of a loved one who has passed on—a husband, wife or member of the family. Some people like to commemorate such events every year, others at five-yearly intervals, in the "In Memoriam" columns. My hon. Friend's emphasis of that point suggested that he might be composing his own epic poem — "Lines on the failure to be reselected to Kingston upon Hull, West". There are some joys, confined to these Benches, that the Government would certainly be willing to tax.

The tax will not raise a large sum of money. It will tax real feelings. It is unreasonable and unnecessary.

We seek, through amendment No. 2, to reduce the scope of the tax, but we must consider the Government's general proposition. It would be reasonable on two grounds to oppose the tax altogether. It is a concession to European pressure that should never have been made, because it invalidates the Government's proclaimed opposition to wider aspects of that pressure. The Government said that they would resist that pressure, but they are now making a concession, in the form of this extension of VAT to advertising, that will be absolutely irreversible and will weaken the defence of zero rating in general.

The tax is harmful to charities—they are the subject of a later amendment — and to consumers. It is especially harmful, too, to an essential element of local democracy and society and of our way of life—the local newspapers. Local newspapers have many faults. In politics and in their general attitudes, they are too conservative. They have been made slothful by monopoly. However, they are an essential part of local life and democracy and they are in a difficult financial situation. They face fierce competition from the multiplicity of media, especially the local free sheets. A tax on their advertising will make their situation worse.

The erosion of our zero-rating system is unnecessary. The system works well and has been tried and tested. It has been supported by Governments of both parties over the years. It was introduced by the Conservative Government who negotiated our entry into the Common Market. They were particularly proud of the zero-rating system and the social purposes that it served. That view was backed by the succeeding Labour Government.

7.30 pm

The European Commission does not like the zero-rating system. It would rather people saw what they were paying for, and paid a tax directly to the EEC. The Commission thinks that VAT should be seen as such a tax. I doubt whether that will enhance the popularity of the Common Market.

The Commission likes harmonisation for harmonisation's sake, and advertisements in newspapers are taxed in every other EEC country except Greece. The tax is 14 per cent. in Germany, 19 per cent. in Belgium, and 22 per cent. in Denmark. The Commission would like to see that tax system extended to this country I do not understand why the Commission takes that view. Taxing advertisements would not enhance the working of the internal market, and classified advertisements of births, marriages and deaths are not an exportable commodity.

It could not be said that our system gives advantage to a competitor—although if birth announcements are not taxed that might be an incentive to have children! I am not sure about the logic of the Commission's position. Does it want a 15 per cent. tax on birth announcements to keep down the British birth rate and make us a less effective

[Mr. Austin Mitchell]

competitor? In terms of the internal market and customs union, there is no reason why advertisements should be taxed.

The concession maintained by the amendment is obviously for the benefit of the final consumer, which the Commission says is a legitimate reason for zero rating. Of course, if the final consumer is the subject of a death announcement, the concession benefits his family.

More important, our concession is legal. All Governments have maintained and defended full control of our internal tax regime. After the 1975 renegotiation, the document put to the British people by the Labour Government emphasised that we had maintained full control of our internal tax regime and that there would be no pressure and no need for us to reduce the scope of zero rating. That scope was never questioned in the negotiations that led up to the sixth directive.

As my hon. Friend the Member for Sedgefield (Mr. Blair) stressed, the Government would not have accepted the sixth directive had questions been raised about the zero rating of any of the items mentioned in the so-called reasoned opinion of the Commission. We accepted the directive on the basis that it sanctified, maintained and sustained our system of zero rating. But the Government are selling that down the river.

The sixth directive allows zero rating for a transitional period for clearly defined social reasons. In this case, the valid social reasons are to keep in existence a healthy, financially viable local press, and the benefit of the final consumer, which, presumably, is covered by births, marriages and deaths advertisements. The transitional period continues until the Commission decides unanimously to end it. So why are we rushing along in this ill-considered fashion?

Illogically, and with only murmured warnings, the Commission came out in October 1984, after a long delay, with a reasoned opinion of our zero rates on live animals, sewerage services and water supply for business, newspaper advertisements and news services, protective boots, clothing for industrial use and other items.

The Select Committee on the Treasury and Civil Service felt that the opinion was prompted by the Commission's legalistic obsession with harmonisation. The Government opposed the Commission views and were right to do so. Treasury officials told the Select Committee — they were speaking generally, but newspaper advertisements are part of the generality — that the Commission's interest in harmonisation was

"greater than the circumstances of the UK really require".

The officials pointed out that the Commission's action was understandable, but they regarded it as "legalistic". They were "surprised" by the objections made to zero rating.

The Select Committee argued:

"VAT is a tax on consumers and . . . any reduction in the amount of VAT payable must be of direct benefit to the consumer . . . Registered traders net off their input VAT before remitting the balance to the exchequer, so that the result of zero rating is always to benefit the consumer, whether directly or indirectly."

It is curious that the Government, having expressed their opposition to the reasoned opinion and defended zero rating, should undercut their arguments, abandon their case and close their options by this clause. Once imposed, the VAT cannot be taken off. That would be contrary to article 28(2) of the sixth directive because abolition and reintroduction do not amount to the maintenance of zero rating, which is sanctioned by the directive.

Why has one aspect of the reasoned opinion been singled out? What is the logic of the Government's position? What is the point of all this? The exemption served a valuable social purpose because it helped to maintain the viability of our press, particularly the local press.

It is worth emphasising that newspapers in other countries have benefits that our newspapers do not enjoy. Zero rating of advertisements was a partial benefit for our newspapers, but was no substitute for the substantial benefits received by newspapers in other EEC countries. Now even that partial benefit is being knocked away by the Government.

In France and Belgium, newspapers enjoy tax concessions. They enjoy subsidies in Belgium, France, Italy, Luxembourg, and most famously—though outside the EEC—in Sweden, where subsidies can be provided to support a competing local press in localities where a monopoly would otherwise result. Newspapers enjoy cheap loans in Denmark and postal concessions in all countries of the EEC. They enjoy telecommunications concessions in Belgium, France and Ireland, and rail concessions in Belgium, France, and Italy. The concession which has been swept away by the Government was a small substitute to help the press to maintain its financial viability.

The tax revenues arising from the change are small, £52 million in a full year, according to the Newspaper Society, and £50 million according to the Treasury. This loss to newspapers comes at a time when local newspapers particularly are in a difficult competitive situation. Competition is particularly intense from the free sheets, and such competition might drive other established local papers in the free sheet direction. Advertising is crucial because 80 per cent. of the revenue of local newspapers comes from advertising and only 20 per cent. from sales.

An estimate is given in the report of the Select Committee on the Treasury and Civil Service of the contribution of the different sections of advertising which have been taxed under the clause. Classified advertising for local and regional newspaper produced £464 million in revenue for those newspapers in 1983, of which recruitment accounted for £88 million, property £108 million, motors £110 million, and other categories £157 million, with which we are concerned in the amendment. Therefore, advertising is crucial to local newspapers, yet under the clause it is being taxed. It is estimated that there will be a drop in volume of advertising of about 5 per cent. as a result.

The category which we seek to defend in the amendment is the most unacceptable one to tax because it is a tax on feelings, and its consequences to newspapers are directly harmful. Therefore, we should support the amendment so that the feelings and emotions of our constituents may be expressed tax free, we should support the local press, which is in a difficult financial situation, and we should oppose the Government's concession to the EEC, which undermines the validity of the Government's opposition when they come to defend the rest of our zero-rating system.

7.45 pm

Mr. Fisher: I am grateful to my right hon. and hon. Friends for having tabled the amendment, which recognises, in a way that the Government have been unable to recognise, the effect that this short clause will have on individuals.

I suspect that the Government did not really think through what they were doing. They where so keen to extend the range of indirect taxation by extending VAT, and they were so put off and perturbed by the active campaign on behalf of books, publishing and the cover price of newspapers, that they were distracted by political pressures. Even they did not have the nerve, correctly, to put VAT on children's shoes, because they recognised the emotive nature of so doing.

No doubt the Government felt that this extension of VAT was an easy option. Because it affects small advertisements and announcements of births, deaths and marriages, involving small sums, no doubt they told themselves that no one would object, that people had to put in such advertisments anyway, and therefore that they would be able to get away with it. I suspect that Minister's, if they had thought at all along those lines, did not really recognise what the impact on people would be.

I do not know whether the Minister's local paper has a births, deaths and marriages column. I am sure that it does, because these columns appear in every newspaper. I do not know whether the Minister's local paper has an in memoriam column, or whether this is another example of the north-south divide so that it is more common in the midlands and in the north of the country. In Stoke-on-Trent, it is an important element of our local paper.

On Tuesday last, 30 April, which was the last day before the tax come into effect, our local paper in Stoke-on-Trent, the *Evening Sentinel*, reported eight births, four comings of age, 49 deaths and 66 in memoriams, which is not a particularly large figure. At weekends there are probably more than 100 in memoriam advertisements. The Minister, just for a second, might listen to one of them and recognise who he is taxing and why. It says:

"78 today. Another birthday we cannot share,
my birthday gift must be a prayer.
The years we spent together . . . are never really gone,
they leave behind special memories for looking back upon.
You suffered much in silence, your spirit did not bend,
you fought for life with courage, until the very end.
Each leaf and flower may wither, each evening the sun may set,
but those who are thinking of you today are . . . those who do not forget.
God bless—your loving wife".

Lower down in the same column, the *Evening Sentinel* published a small advertisement of its own:

"VAT ON ADVERTISING. Government Regulations introduced in the recent Budget mean that VAT at the current rate of 15 per cent. must be added to all advertisements published from May 1st, 1985".

That is the sort of advertisement that the Government are taxing. The Minister cannot be proud of or pleased with that. Did he and the Government, in introducing this provision, intend that a woman like that who wishes to commemorate the passing of her husband and what he meant to her should have to pay 15 per cent. tax on registering her love and her grief at the passing of her husband? I cannot believe that the Government or the Minister intend that. The Minister really ought to accept the amendment.

Mr. Hayhoe: The amendment seeks to continue zero rating for classified advertisements in newspapers and magazines concerning births, marriages and deaths. Before I respond to the detail of the amendment, it may be sensible for me to say a word about the general effect of the clause and, indeed, to respond to the invitation extended to me by the hon. Member for Sedgefield (Mr. Blair).

The reason for the change that animated my right hon. Friend the Chancellor was that it removes an anomaly. Advertisements in all other media are already taxed — television, radio, hoardings, billboards, leaflets and promotional material. Only advertisements in newspapers and magazines were not taxed. In fact, advertisements in books were taxed — not that they occur all that frequently.

Mr. Martin J. O'Neill (Clackmannan): What similarity is there between the substance of classified advertising and the kind of advertising that takes place on television and on the radio? I do not know whether the Minister listens to commercial radio, but there is not the kind of classified advertising there to which my hon. Friends have referred.

Mr. Hayhoe: But I have listened to the debate and to what the hon. Member for Sedgefield said when he asked what animated the Government to bring forward the clause. The hon. Gentleman did that as a background to dealing with the amendment which refers to classified advertising. I shall come to that in a moment.

As to the reasons for the tax, first, it removes an anomaly. It is one thing to relieve newspapers and magazines from VAT, which had been forecast before the election, but quite another to extend that same relief to those who advertise in them. Because the Chancellor decided not to extend VAT to the cover price of magazines and newspapers but believed that it was right to make all advertisements taxable, he took this step. As has been acknowledged, it provides some useful revenue, and it is a further step in the direction of a shift in the burden of taxation from earnings to expenditure.

I confirm that the increase in revenue will be £30 million in 1985-86 and £50 million in a full year. Those figures take account of the fact that net revenue will accrue only from those traders and private individuals unable to reclaim the tax. It does not affect the VAT position in relation to the cover price of books and magazines.

Mr. Campbell-Savours: Has the Minister not learnt anything from last year's proceedings? The imposition of VAT on building improvements was regarded as a monstrous bungle by his Department and substnatial unemployment was forecast as a result. The imposition of VAT on fish and chips also led to forecasts from HOTAG of massive redundancies, which have indeed taken place. Has the Minister learnt nothing from those mistakes? Does he not think that the case put by people now forecasting unemployment in the newspaper industry should be heard? In the light of his two previous bungles, should he not take those views into account, especially in view of the employment implications?

Mr. Hayhoe: I do not know why the hon. Gentleman intervened to make those observations, which he could

[Mr. Hayhoe]

have made in the general debate. I was responding to the invitation to explain the reasons for the tax. I appreciate that there are differing views in the Committee. That is partly why we debate these matters. If the Opposition did not disagree with the Government on this, they would presumably not have chosen to debate it.

A great deal has been said about the EEC, first by the hon. Member for Sedgefield, when he opened the debate, and later by the hon. Member for Great Grimsby (Mr. Mitchell) who referred several times to the Select Committee on the Treasury and Civil Service and to the wider European Community considerations. I confirm that the EEC challenged our zero rating of newspaper advertising and news services as being contrary to the sixth directive. Incidentally, the reasoned opinion did not challenge the zero rating of books, newspapers and magazines; it concentrated on advertisements and news services. The British Government rejected the Commission's reasoned opinion and that position is fully maintained in respect of all the items challenged by the Commission.

Paragraph 46 of the Select Committee report sets out the position extremely fairly. It states:

"The argument that the British Government is its own master in matters of taxation also allows that the Chancellor may wish to reduce the extent of VAT zero rating"—

in other words, to extend the VAT base—

"in order to pursue his declared aims of widening the tax base and shifting the weight of taxation from direct to indirect taxes. This decision is his prerogative"—

and, of course, Parliament's—

"and is a political one which is not central to this report."

The Select Committee continued, endorsed by the hon. Member for Great Grimsby and others, that the change to extend zero rating,

"if it is made, would be solely for domestic reasons. The decision is a political one on which we make no judgment. It has not been part of our inquiry. A British Chancellor can make his own decisions for his own reasons."

Mr. Blair: As I anticipated, the Minister has denied that the EEC had anything to do with the decision. The basis of the Government's rejection of the Commission's reasoned opinion, however, was that there were social reasons and that benefits to the consumer were involved. Do the Government still take that view? If so, what possible explanation is there for the imposition of the tax?

Mr. Hayhoe: I have just given the explanation. My right hon. Friend the Chancellor thought it desirable. But the decision in no way undercuts our position in relation to the EEC, and the Opposition do a disservice to our national interest by suggesting otherwise. The explanation given by the Select Committee is accurate, because the Select Committee understood that these are matters for the British Government, the British Chancellor and the British Parliament to decide. If Parliament and the Government so decide, it is not a matter for the Community. The decision can be made quite separately without in any way undercutting or weakening our position with regard to the Community.

Mr. Fisher: My reading of the Select Committee report is rather different. The report rightly emphasises that if the Government go ahead with this, it will be the Chancellor's own political choice. The Minister has confirmed that both in his reference to the report and in his gestures of assent. He is saying that the Chancellor's political choice is to tax classified advertising in the same way as all other forms of advertising and, of his own free will and volition, to impose this tax on the grieving and the recently bereaved. The amendment deals specifically with that form of advertising. Is it really the Chancellor's personal political wish to tax those people? Will the Minister also tell us how much will be raised from the tax on classified advertising? In other words, what price has the Chancellor put on taxing these people?

Mr. Hayhoe: Perhaps the hon. Gentleman will contain himself. He knows me well enough to know that I shall deal with the amendment and respond to what has been said. He is wasting the Committee's time by intervening in that way. I was responding to the invitation from the Opposition Front Bench to explain the background to the measure and the European Community aspect, to which the hon. Member for Great Grimsby devoted a large part of his contribution, but the hon. Member for Stoke-on-Trent, Central (Mr. Fisher) chose to jump up in a fury while I was doing so. I shall come to his points in due course, although what I have to say may not convince or appeal to him. I know from last year's debates what a Herculean task that would be. Nevertheless, I shall explain the Government's view.

I wish to emphasise an important point that the hon. Member for Sedgefield picked up once again. I assure the Committee that the change has been made for reasons of domestic taxation policy.

Mr. Fisher: Shame!

Mr. Hayhoe: This is a perfectly proper subject for debate and disagreement, but I hope that no suggestion will be made which will weaken the British Government's position in relation to other challenges from the European Commission. On other zero-rated items we may be challenged in the European Court. We shall fight our corner on behalf of the British interest as we see it, and I hope that nothing that is said today will seek to undercut our position in that respect.

Mr. Robert Sheldon: Does the hon. Gentleman foresee any difficulty from the Commission if a future Government wished to reverse the present decision?

Mr. Hayhoe: My next note is to confirm what the hon. Member for Great Grimsby said—that departing from zero rating was a one-way journey and irreversible. I acknowledge that. That is known widely, and the Select Committee refers to it in its report. If the Committee endorses the Chancellor's decision, the decision cannot be reversed at a future stage within the rules of the Community as they now exist.

8 pm

I shall speak fairly generally about the different classes of advertisers who will be affected. Registered traders who deal in taxable goods and services will be able to reclaim the tax under the normal mechanism. Traders in the exempt sector, such as finance, insurance, education and health, will either be unable to reclaim any tax or have the tax recovery restricted to the extent to which they make taxable supplies.

The hon. Member for Kingston upon Hull, West (Mr. Randall) referred to small traders. Small traders who are not registered for VAT—their annual turnover would have to be below £19,500—would not be able to

reclaim the VAT and, therefore, VAT would stick on them. It would also stick on private individuals who would also be unable to reclaim the tax.

The hon. Member for Normanton (Mr. O'Brien) mentioned charities, but I shall not deal with that point now because there is an amendment specifically about that, which we shall discuss later.

Obviously, the impact on the newspaper and magazine industry will vary for each publication, depending on the balance of its income between cover price and advertising, and on the extent of the advertising that it receives from the exempt sector—mainly financial—small unregistered traders, and private individuals unable to reclaim the tax. I acknowledge immediately that the burden will be greatest on the regional and local press, which depend most heavily on advertising revenue, and perhaps on that proportion of advertising revenue where the charge is not reclaimable and where it will stick. That applies particularly to free newspapers which depend entirely on advertising revenue, although the rates that they charge are generally lower than those of their competitors, where there is a cover price.

The quality national newspapers will be harder hit than the tabloids because of their greater dependence on advertising revenue and because they carry more classified and financial advertisements. Other publications which depend on a high volume of classified advertisements and those with a high number of financial advertisements may suffer a higher proportional loss of revenue.

No detailed study has been made of the effects of the tax on advertising alone. The study completed by the trade associations considered the combined effect of a tax on both advertisements and cover price. The best estimate by Price Waterhouse was a 3 per cent. volume reduction for regional newspapers. That was, however, an average figure, and obviously there will be a considerable range. The effect will depend on the extent to which advertisement rates fully reflect the tax and the extent to which advertisers who are unable to reclaim the tax are prepared to increase their expenditure. Although the effect may be significant for some specialist publications, the reduction is expected to be small overall because VAT is likely to stick on less than about one fifth of total press advertising.

I shall now turn to the particular points of the amendment.

Mr. Campbell-Savours: The Minister said that in some cases the figure would be more than 3 per cent. Will he confirm that that could lead to job losses?

Mr. Hayhoe: From the information available at present, the chances of a loss of jobs are small.

Mr. Campbell-Savours: That is what was said about the impact of VAT on fish and chip shops.

Mr. Hayhoe: Many of the representations that we have received have argued that the change will reduce employment because publications will close or expansion will be curtailed. I think that that is the sort of point that the hon. Gentleman has in mind. It is difficult to isolate the effect of this tax change from the many other factors that influence employment prospects. Our best estimate of the net effect of the measure on employment is that it should be marginal across the whole range of the press and magazines.

I shall now deal with our debate about classified advertisements for births, marriages and deaths. It is hard to quantify the costs. The best estimate of the loss of revenue is between £5 million and £10 million in a full year, if the amendment is agreed to. Obviously, that is especially relevant to private advertisers, as they place most classified advertisements. That means that little of the tax will be recoverable from such advertisements. The simple consequence is a tax on final consumer expenditure. The same is true of the other private classified advertisements — for example, the sale of household goods, motor vehicles, houses and so on. Hon. Gentlemen have already given the figures for the breakdown of overall classified expenditure.

The hon. Member for Stoke-on-Trent, Central pointed out that announcements of births, marriages and deaths are of special social significance and should be singled out for continued relief. I am not persuaded by his arguments. The arguments are most forceful for death announcements. Obviously, grieving relatives wish to let others know of a death as quickly and efficiently as possible. Announcements about births and marriages are a form of discretionary spending, and there is insufficient justification for continuing VAT relief on them, as VAT is to be imposed on press advertisements generally. If VAT relief were continued on them, there would soon be pressure to extend that relief to other commemorative or congratulatory messages, such as engagements and wedding anniversaries. The hon. Member for Kingston upon Hull, West mentioned the importance of classified advertisements for golden weddings. Pressure may even be extended to the Valentine classified advertisements, which have become a growth industry in recent years. It is difficult to see where relief would end if we took that avenue.

Although I accept the case is strong for death announcements, it would be extremely difficult to devise and administer a relief for that category of advertising alone. It would place an extra administrative burden on newspapers, because they would have to make special accounting arrangements to identify and deal with the one or two types of advertisements which would continue to be zero rated.

The hon. Member for Sedgefield spoke about the impact on pensioners. I recognise his anxiety, that poorer old-age pensioners will have particular difficulty in meeting the additional cost of VAT on death notices. Happily, such an event occurs fairly infrequently in most families. The additional VAT charge on such advertisements in regional or local newspapers throughout the country will probably be about 50p or £1 for the whole advertisement. It is to be hoped that such an advertisement would be only rarely inserted by a particular family.

It would be very difficult to allow a concession such as that requested in the amendment. If such a concession were to be made, pressures would immediately build up to extend the relief to other worthy causes. I have little doubt that the inventive minds of hon. Members in all parts of the Committee would quickly bring forward suitable candidates for further concessions.

VAT is a broadly based tax on consumer expenditure. Once it has been extended to cover a formerly zero-rated area, I think it would be wrong to grant special relief other than in the most exceptional circumstances, and I do not regard the amendment as covering such wholly exceptional circumstances. Therefore, I hope that the Committee will not accept it.

Question put, That the amendment be made:—

[Mr. Hayhoe]

The Committee divided: Ayes 111, Noes 202.

Division No. 199] **[8.10 pm**

AYES

Adams, Allen *(Paisley N)*
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Barnett, Guy
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Blair, Anthony
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, R. *(N'c'tle-u-Tyne N)*
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Cocks, Rt Hon M. *(Bristol S.)*
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foster, Derek
Foulkes, George
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hardy, Peter
Harrison, Rt Hon Walter
Hogg, N. *(C'nauld & Kilsyth)*
Howells, Geraint
Hughes, Robert *(Aberdeen N)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
Jones, Barry *(Alyn & Deeside)*
Kilroy-Silk, Robert
Lamond, James
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
McDonald, Dr Oonagh
McKelvey, William
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Pike, Peter
Powell, Rt Hon J. E. *(S Down)*
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Sheldon, Rt Hon R.
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Skinner, Dennis
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wardell, Gareth *(Gower)*
Wigley, Dafydd
Wilson, Gordon
Winnick, David
Woodall, Alec

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Allen McKay.

NOES

Adley, Robert
Alexander, Richard
Ancram, Michael
Arnold, Tom
Ashby, David
Atkins, Robert *(South Ribble)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Benyon, William
Best, Keith
Bevan, David Gilroy
Blackburn, John
Body, Richard
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Coombs, Simon
Cope, John
Cormack, Patrick
Couchman, James
Cranborne, Viscount
Critchley, Julian
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Dykes, Hugh
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Fletcher, Alexander
Forman, Nigel
Forth, Eric
Fowler, Rt Hon Norman
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Hamilton, Hon A. *(Epsom)*
Hannam, John
Hargreaves, Kenneth
Harvey, Robert
Hawkins, Sir Paul *(SW N'folk)*
Hayes, J.
Hayhoe, Barney
Heddle, John
Henderson, Barry
Hickmet, Richard
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Howarth, Gerald *(Cannock)*
Howell, Ralph *(N Norfolk)*
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
King, Roger *(B'ham N'field)*
Lamont, Norman
Lang, Ian
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Ian *(Havant)*
Lord, Michael
Luce, Richard
McCurley, Mrs Anna
MacGregor, John
Maclean, David John
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Mates, Michael
Mather, Carol
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Peacock, Mrs Elizabeth
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Sackville, Hon Thomas
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stradling Thomas, J.
Taylor, John *(Solihull)*
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter

Waddington, David	Winterton, Mrs Ann
Wakeham, Rt Hon John	Winterton, Nicholas
Waller, Gary	Wolfson, Mark
Ward, John	Wood, Timothy
Wardle, C. *(Bexhill)*	Yeo, Tim
Watts, John	Young, Sir George *(Acton)*
Wheeler, John	
Whitfield, John	Tellers for the Noes:
Whitney, Raymond	Mr. Peter Lloyd and
Wiggin, Jerry	Mr. Tim Sainsbury.

Question accordingly negatived.

Mr. Blair: I beg to move amendment No. 3, in clause 10, page 5, line 16, at beginning insert

'Save where advertisements concern employment.'.

It is fitting that we are debating the amendment on a day which has included employment questions. In answer to a question which I had tabled, the Secretary of State for Employment told the House that there were 3,273,000 unemployed claimants in April 1985. That is a staggering figure, but it is a gross understatement of the true level of unemployment. The real total is much closer to 4 million.

We argue about the policies that are best to reduce unemployment and about those that produce the present level of unemployment. However, it should be common ground that no obstacle should be placed in the way of further employment prospects. It is surprising and disappointing that the Government are not prepared to concede without hesitation an amendment that would exempt from VAT newspaper advertisements for employment. If a company advertises job prospects in a newspaper, whether it is a national, regional or local journal, it will pay VAT at 15 per cent. That is a true tax on jobs.

The position is even worse for smaller companies or firms which have only recently been formed and which are paying VAT because their annual turnover is less than £19,500. They will advertise jobs, pay VAT on the advertisements and will be unable to set that off against any VAT that they charge on sales. The VAT that they pay in addition to the price of the advertisement will go straight on to the costs of the firm and will reduce the money that is available for employment. The VAT that is charged on advertisements is a tax upon employment and will hinder greatly the prospects of those seeking jobs. It will discourage employers from advertising jobs widely.

Many people find jobs through their local newspapers. Those who are seeking work will go to the job centre and they will read their local newspapers. In any reasonable local newspaper there is usually a column of job advertisements. It is obvious that they are important so that those seeking work may learn where employment prospects lie. We should oppose any tax that prevents or hinders the individual's ability to seek work.

I hope that the Government will think again and will acknowledge that job advertisements should not be taxed. If the amendment is accepted, there is a much better chance that employers will be encouraged to advertise jobs and consequently a much better chance of individuals finding work through their local newspapers and other sources of job advertisements.

Mr. Hayhoe: The purpose of the amendment is to continue the zero rating of employment advertisements in newspapers and magazines. In effect, all recruitment advertisements would continue to be zero rated. The cost of the amendment would be less than £5 million. It would be low because the vast bulk of recruitment advertising is placed by commercial concerns rather than private individuals. Most advertisers will be able to recover the VAT charged under the normal mechanism of the tax, as it can be claimed back as input tax.

Those affected adversely will be small traders—the hon. Member for Sedgefield (Mr. Blair) referred to them specifically—who are not registered for VAT. Included in this category will be those with a turnover of less than £19,500 and traders who deal in exempt or non-business supplies. The latter category is much more substantial than the others and includes, for example, Government Departments. However, there is a certain circularity about extra tax charges that are paid with one hand and collected with the other. I should make it clear that local authorities would not be affected because they do not come within clause 20. Some parts of the finance, insurance, health and education sectors will be affected as well as some charities. We shall be dealing with advertisements by charities when we reach amendments Nos. 4 and 5.

As the cost of recruitment advertisements will not increase for the majority of employers, there will be no reason for them to reduce their recruitment advertising on account of VAT. In areas where not all the VAT will be recoverable, it is possible that there will be some reduction in the amount of recruitment advertising which is placed. A few representations to that effect have been received by the Treasury from the financial sector. I expect the effect of such reductions to be pretty small. To the extent that a reduction occurs, it is likely to be in the frequency or size of advertisements. It is improbable that an employer wishing to recruit staff will not advertise because of the VAT charge. I strongly doubt whether the extension of VAT will have a noticeable effect on the level of employment.

The amendment suggests that there should be special relief for recruitment advertisements. The revenue cost of allowing the relief would be relatively small—under £5 million—but the case for it has not been made out fully. The effect on employment would be minimal and the effect on advertising would be small. That is probably common ground because the vast majority of recruitment advertisements will be placed by people with whom the VAT charge will not stick.

If relief were allowed, it would be difficult to refuse other worthy causes. Indeed, it would make something of a nonsense of the Division on amendment No. 2. Reliefs such as this would significantly complicate the administration of the tax and put an additional administrative burden on newspapers and magazines, as they would have to deal with some zero rated advertisements and some taxed ones. VAT is intended as a broad-based tax on consumer expenditure. Once it has been extended, it is wrong in principle to select items for continued special relief. I hope that the amendment will be withdrawn or, if not, that the Committee will reject it.

Amendment negatived.

8.30 pm

Mr. Blair: I beg to move amendment No. 4, in page 5, line 16, at beginning insert

'Save in so far as Schedule 5 of the Principal Act concerns value-added-tax on advertisements by charities.'.

The Temporary Chairman: With this it will be convenient to take amendment No. 5, in page 5, line 16, at beginning insert

[The Temporary Chairman]

'Save in so far as Schedule 5 of the Principal Act concerns value-added-tax on advertisements by registered charities'.

Mr. Blair: Amendment No. 4 has drawn support from a broad range of people. Perhaps the most strongly argued debate on the Bill will be about VAT on advertisements by charities. The amendment exempts charities from VAT on advertisements. I expect the Government will argue that to accept the amendment would be to accept an anomaly. They have argued that it is wrong to distinguish between different types of advertisement. There will be no anomaly if the amendment is accepted. Indeed, an anomaly will arise if it is not accepted.

The basis of charities' operations is that their income is not taxed. They raise their income primarily from donations. Therefore, clause 10 means that, although charities' income is not taxed, the primary means by which they raise that income — advertising — will be taxed. Their ability to raise money will be hampered and their costs will be increased. Moreover, charities have no VAT in respect of sales to set off against the tax that they pay on advertisements. I cannot believe that the Government want to hinder charities and to subject them to a tax that will greatly hamper their fund-raising activities. The change comes especially ill from a Government who maintain—the Prime Minister has said this often—that the more charities do, the better. They believe that more should be done privately to lessen the burden on the Exchequer.

Mr. Campbell-Savours: When the Prime Minister suggests that charities should not be zero rated, perhaps she regards them as revenue raisers on her behalf.

Mr. Blair: I take my hon. Friend's point. The Government regard charities as a substitute for state action. The whole House agrees that charities perform a useful function which should be encouraged. If, therefore, charitable income is so socially desirable that it is exempted from tax, so should be the conduit by which the money is raised.

Charities need advertising for donations, to exchange information about their services and for staff recruitment. There is a strong move afoot to exempt charities from VAT, and the Charities VAT Reform Group has been established for that purpose. The argument to exempt charities' advertisements from VAT can be made logically and without having to accept the case for general exemption. The reform group did a survey of the top 200 charities and received 110 replies which showed that they would have to pay an extra £1·2 million a year in VAT for advertising space. That sum will come directly from funds which would otherwise be used to do charitable work. Only the Exchequer will benefit. The Treasury estimates that there are between 70,000 and 100,000 charities in Britain, so the total burden will be considerably higher. It is therefore surprising that the Government have estimated that the cost will be only £1 million.

I hope that the Minister will deal with this matter. That figure of £1 million is hotly disputed by the charities. I shall be grateful if the Minister will say whether my information is right or wrong. It is that the Government's figure of £1 million is based on the Advertising Association's estimate of agency-placed advertising. In other words, that £1 million represents the amount of agency-placed advertising by charities. However, much charitable advertising is not done through agency placing. Therefore, perhaps the Government's figures are based on that misunderstanding.

The charities feel particularly strongly about this matter, partly because of the way in which the Budget has been sold for charities. It has been said by Ministers and by the Chancellor himself that, overall, the Budget is helpful to charities. That view is not shared by charitable organisations to which I have spoken.

The Government say that they have helped charities in two ways. It is worth outlining them so that we can set in context what we are talking about in the amendment. First, the Government say that they have raised the limit on relief from higher rate tax from £5,000 to £10,000. They say that that will be of assistance to charities when they receive greater donations. The Exchequer estimates that the cost of that to the Exchequer will be £1 million. I hope, again, that the Minister will specifically say whether my information is right. It is that few covenants reach £5,000, never mind £10,000. Therefore, the notion that the £5,000 limit to relief from higher rate tax is a barrier to higher covenants is not borne out when one examines the amounts of covenants.

Mr. Campbell-Savours: Is it not also noticeable that there is a certain profile which one can identify in relation to those contributions, which is that certain charities attract higher contributions, while others attract none? Therefore, the help to which my hon. Friend has referred is specific in so far as it will go only to a few, and a great number of charities will not benefit in any way, but will just lose.

Mr. Blair: I am grateful to my hon. Friend. That is absolutely right.

I have looked into these covenants. For example, not a single covenant of £5,000 is received by the Muscular Dystrophy Group of Great Britain. The steering committee of the Charities VAT Reform Group receives about £543,000 in total covenanted income. That includes some major charities such as Dr. Barnardo's, Help the Aged, International Christian Relief, MENCAP, and so on. Therefore, the total covenanted income of many of the large charities is not that large. I should like to know whether the Minister accepts that few covenants reach £5,000 and where on earth he gets his £1 million from. The charities dispute it strongly.

The second piece of mitigation put forward by the Government as to why VAT on newspaper advertisements will not affect charities too adversely when compared with the other things that the Government are doing in the Budget is that they have extended relief from VAT to computers purchased for medical research. The Government pray that in aid for what they are doing for charities. Again the Treasury comes out with some fairly extraordinary figures as to what charities will be saved through that extension of VAT relief. It says that about £5 million will be saved. That is an extraordinary figure. If it is grossed up, it comes to about £33 million. I cannot conceive the scale on which charities will have to purchase computers so that there is a £5 million saving as a result of VAT relief.

8.45 pm

I have made inquiries of two charities which one would expect to be at the forefront of computers for medical

research—the Cancer Research Campaign and the Marie Curie Memorial Foundation. Neither believes that that relief from VAT on computers purchased for medical research will make any difference to its expenditure problems. I should be grateful if the Minister would give us chapter and verse on those figures.

When we are talking about anomalies, there is also another matter to consider. I understand that the Government have said in certain quarters that it is impossible to distinguish between socially useful charities and charities with a less socially useful function. With respect, that distinction is present in the reliefs which charities are already given. There is no reason to think that that distinction is any greater in relation to VAT relief for newspaper advertisements than in relation to any other type of tax relief.

The charities' concern is real about this matter. As amendment No. 5 shows, there is cross-party concern at the effects of VAT on advertisements by charities. Because of the way in which charities operate, they have a particular need to advertise their services and to advertise for donations. They have a particular need which is way above that of ordinary corporations, businesses or other individuals. Given that charities perform a service in our society which we all wish to see both encouraged and heightened, I cannot believe that the Government, having listened to the argument, and taking account of the proper concern of charities, will persist in rejecting the amendment.

The amendment is crucial because it is about the type of society that we wish to see. The type of society which the Opposition wish to see, and which I hope many others in the Conservative party wish to see, is one where those who go about the difficult business of raising money for charity have no hindrances put in their way, but are helped and encouraged. One certain way for the Government to make credible their promise to assist charities is to support the amendment.

Mr. John Hannam (Exeter): I speak in strong support of amendments Nos. 4 and 5 which relieve charities of the further crushing VAT burden that is imposed in the Bill. For several years I have been involved in the parliamentary campaign to try to secure VAT relief for charities. It is sad for me to acknowledge that, despite all our efforts in recent years, the Government are now substantially increasing the charities' VAT burden.

It is hard to believe that it was a VAT working party set up by the present Foreign Secretary, when he was Opposition Treasury spokesman in 1976, which came out strongly in favour of relieving charities from the VAT burden. He said that it should be a priority. That was when VAT was about half what it is today. Since then, despite massive opposition from hon. Members on both sides of the Committee and from all organisations outside, that VAT imposition has been increased substantially. That, as the hon. Member for Sedgefield (Mr. Blair) has pointed out, runs counter to the Government's declared policy of support for voluntary bodies, and for the very ones to which we look to provide social services and the health care and welfare advice that is needed.

It is a sad story. In 1979 VAT was nearly doubled. Last year, VAT was imposed on building alterations, and leading charities providing residential services faced substantially increased VAT bills. The Imperial Cancer Research Fund, since last year's imposition of VAT on building alterations and extensions, has faced an increased bill of £330,000, the National Children's Home an increase of £200,000, the Spastics Society £120,000, Help the Aged £150,000 and the Royal National Institute for the Blind £95,000. Those are just a few examples of the burdens that such charities are having to face.

Subsequently, my right hon. Friend the Chancellor announced small concessions on building alterations for disabled people and these figures have been slightly reduced, but the potential burdens still remain. The total non-recoverable VAT for members of the Charities VAT Reform Group, which has been doing all the spadework in obtaining the necessary details, and which includes the majority of the top 200 charities, is about £10 million a year.

Many of these charities are trying to meet the increasing demands on their services resulting from the squeeze on local authority spending. Local authorities are able to recover their VAT on the same services as those provided by the charities, yet the charities are not able to recover their VAT. The result of my right hon. Friend the Chancellor's action on building alterations is that many community care projects are being cut. This cannot be a sensible policy, especially in view of the cost effectiveness of the charities' operations.

There is now the added VAT cost on advertising which, for the 18 charities on the steering committee of the Charities VAT Reform Group, will add £387,000 to their advertising budget of £2·5 million. A few weeks ago, the director of the Multiple Sclerosis Society came to the House of Commons to talk to the all-party disablement group. The main point in what he had to say was the importance of advertising as his charity's major fund raiser for research into multiple sclerosis. That society now faces an increased cost of £50,000 a year. That sum could fund three years of vital research into multiple sclerosis in a small unit. The Spastics Society put its extra cost at £30,000, and its overall bill for the year is now up to £530,000.

My right hon. Friend the Chancellor has said that he expects to raise about £50 million a year from this measure, and he estimates that, of that, the charities will bring in less than £1 million. That is a substantially lower figure than the one produced by the Charities VAT Reform Group, whose figures are based on factual information. As the hon. Member for Sedgefield pointed out, 110 of the top 200 charities will spend £1·2 million extra this year for VAT on advertising, so the Treasury figure, like so many of the forecasts that we have to view these days, is a tailored guesstimate. The Budget concessions on convenants, which raise the limit on higher tax relief from £5,000 to £10,000, will not counterbalance the extra VAT cost. Few charities receive covenants of this size—mainly charities such as the National Trust. The 18 steering committee charities received a total of only £1·3 million last year. They will be paying almost half that amount back in extra VAT this year.

The other concession in the Budget is the relief from VAT for computers purchased for medical research. That, again, is regarded as a negligible concession by the charities group. Even the medical research charities, such as the Cancer Research Campaign and the Marie Curie Memorial Foundation, do not believe that it will be of particular assistance. Again, we have a Treasury guesstimate that this concession will cost £5 million a year. If that is true, it would involve an expenditure by

[Mr. John Hannam]

charities of £33 million a year on computers for medical research. We can rightly ask how this Treasury assessment has been arrived at. Perhaps my hon. Friend the Minister will tell us.

I hope that the Committee will recognise the contradictions inherent in the charities taking on the increased burden of providing extra services that the Government are asking them to carry out, while clobbering the same voluntary organisations with huge added VAT costs. I know the old Treasury argument that is trotted out every time that we trudge along to the "no" room in the Treasury. It is that, while giving VAT relief to charities may be desirable, it has to think of all the administrative difficulties that will result from across-the-board VAT relief or repayment.

We point out that covenants are done on that basis, but the answer is that these are covenants to charities that must have a certain amount of voluntary support before they get donations. That is a weak argument, and experts from the charities have frequently offered to help the Customs and Excise to overcome any administrative problems. Overdue reform of charity law should not be used by the Treasury as an argument against granting a particular concession.

I know that the Government make large sums of money available in the form of grants to worthy bodies, and I commend them for the support that they are giving. However, many organisations, such as the Multiple Sclerosis Society, do not depend on any state aid whatever; they rely entirely for their income on the success of promotional and fund raising activities.

My right hon. Friend the Chancellor could give relief that would be of most benefit in two particular sectors. First, any service undertaken by a charity, such as providing residential care facilities of a similar nature to those provided by a local authority or central Government, or any other service purchased from a charity by a local authority, should be relieved of VAT under section 20 of the 1983 Act. Secondly, there should be immediate relief from VAT on building work, including extensions, alterations, repair and maintenance, undertaken by a charity, on properties on which they receive mandatory rate relief, plus relief from professional fees on such work.

The amendments should be supported. In Treasury terms, they do not involve a large sum of money, but in terms of their effect on our valuable voluntary organisations, including bodies such as Oxfam, War on Want and others engaged in relief operations, they would be invaluable. Their acceptance by the Government would help restore morale among all those working in our charities and reassure me that the Government recognise the impact of the VAT charges on the handicapped and disabled. I support the amendments and am prepared to support them in the Lobby.

Mr. Wainwright: It is pleasant, at long last this evening, to have an amendment from the Labour segment of the Opposition which the alliance can support, out of the bizarre menu that Labour Members have presented to the Committee for today's and tomorrow's debates. I am glad that, on this occasion, we can be united. I am especially glad that the spokesman for the Labour party, the hon. Member for Sedgefield (Mr. Blair), made it clear that he is not using this amendment as a Trojan horse in an attempt to exempt charities from VAT generally. Until we have seen a scheme for that wholesale exemption which can actually work, the alliance will be unable to support such a proposal.

I am sure that the alliance is not alone in the Committee in saying that any VAT exemption for registered charities must be an exemption for all registered charities. It would be intolerable, although it is sometimes suggested, to say that to economise in administration a general exemption from VAT should be given to some types of charity only or some sizes of charity only. It is a matter for rejoicing that Britain has a pluralist doctrine of charities. People of religions that may seem to some to be a little out of the way are fully entitled to register as charities, and people dispensing education in institutions of which some of us may not approve are equally entitled to the benefit of our charity laws, which date back to good Queen Elizabeth I. Therefore, any attempt to discriminate between one registered charity and another in tax privileges would be resisted by the alliance.

9 pm

Mr. Tim Yeo (Suffolk, South): I wish to clarify, if possible, the Liberal party's view on this matter. Is the hon. Gentleman saying that the Liberal party would support a general relief for charities? If he is saying that he could not support that because of a technical difficulty, why could not charities be included in the same section of the Act as local authorities, which enables them to recover their VAT?

Mr. Wainwright: I do not say either of those things. I hoped that I had made it clear that as soon as someone —it does not matter who—produces a workable scheme that will grant the exemption to every registered charity, regardless of its size, location, aims or administration, the Liberal party, no doubt with other parties, will be glad to consider it. But no such scheme has been produced, and anything that I have seen has been discriminatory and limited to the sorts of charity that are alleged to have the organisation to cope with the VAT problems.

Mr. Gerald Bermingham (St. Helens, South): Does the hon. Gentleman agree that a scheme whereby a charity could produce its VAT payments quarterly, together with its certificate of incorporation as a charity, and thus obtain recompense, would be perfectly simple to administer and operate?

Mr. Wainwright: If that were the case, we should have heard of it before now. But that is not what is suggested. It is clear that an exemption which enabled the official of a religious body or a school to draw up at the petrol pump or to visit the paint shop, buy either petrol or paint and say, "This is for a charity, so give me a special chit," would be a recipe for chaos. It would be extremely difficult, if not impossible, to police and for the trader to operate. I return to the point that the charities should face: such a scheme could apply only to some sorts of charity. If it is to be discriminatory, we want no part of it.

This debate is pleasing to us because, fortunately, in this matter there need be no discrimination, and the administration and reasonable policing should be relatively straightforward. After all, what is more public than an advertisement? If one buys an advertisement, one declares to the world the transaction in which one is engaged. One cannot buy an advertisement for one's private enjoyment or benefit and pretend that it is a

charitable advertisement, because it is there in the newspaper for everyone to see. In addition, newspaper administration is usually much more sophisticated than administration at a small store selling other articles which some people wish to be exempted from VAT for charitable purposes.

The argument about local authorities does not stand up for a moment. I do not wish to usurp the role of the Government spokesman, but I am sure that he will say that, whereas there are only several hundred local authorities — all public bodies whose minutes are published and where nearly everything is available for inspection — the number of charities runs into six figures. Included in that number are some unusual bodies whose administration does not conform to a general pattern. There is a world of difference — indeed, a Pacific ocean of difference — between local authorities and the great mass of British charities. There is no analogy between them.

Since this exemption would be tolerably easy to administer, could be administered fairly, and would come to the relief of many local charities, such as churches, chapels and other assemblies, because local funds could be used to relieve local needs — the high cost of press advertising bears heavily on bodies with small resources — and because the amendment would relieve all charities without discrimination, we shall be happy to support it.

Mr. Yeo: I speak in strong support of the amendment. I have a long-standing interest in VAT in relation to charities. I was, in fact, the founder chairman of the Charities VAT Reform Group. I am grateful to the hon. Member for Sedgefield (Mr. Blair) for giving that group such favourable publicity.

The main objective of the Charities VAT Reform Group is to secure complete relief for charities from VAT. The group represents most of the major national charities and many of the smaller ones. I must correct a point made by the hon. Member for Colne Valley (Mr. Wainwright). At no stage has the group done other than campaign for complete relief from VAT. We do not suggest that there should be discrimination between charities. If the Government felt that some charities were less deserving than others and chose to make that distinction, that would be a matter for the Government and we would examine their suggestion. The group's objective has always been to secure complete relief. I am sorry that the Liberal party seems to be confused about that point.

To say that VAT relief should be denied to an organisation such as the Spastics Society because VAT relief cannot, apparently, be extended to the Moonies is an extraordinary and convoluted argument. To say that one organisation which is probably universally regarded as deserving will not receive this benefit, because it cannot be given to an organisation which is not universally regarded as deserving is extraordinarily illogical even by Liberal standards.

Mr. Wainwright: Which of the two quite contradictory arguments is the hon. Gentleman putting before the Committee? A few minutes ago, he was saying, "Far be it from the Charities VAT Reform Group to exclude any charity from the scope of its intentions," and that the group had no desire to be discriminatory. Within seconds, he went on to say that it was absurd to put the Spastics Society on the same level as the Moonies. The hon. Gentleman cannot have it both ways. He should tell hon. Members whether he wants an exemption for all registered charities, whatever the defects in our charity laws, or whether he wants the exemption to be limited to certain types of charity.

Mr. Yeo: I do not want to detain the Committee unnecessarily. That is exactly what I did say. I believe that universal relief should be granted, but if the Government choose to be selective about it I should be happy to look at their selection.

I believe that this relief is justified because of the valuable work done by charities. It is recognised by hon. Members and the public that charities do valuable work. This relief is justified also because of the accepted principle that tax concessions for charities are justified. In fact, charities are exempt from income tax and capital gains, corporation and capital transfer taxes — almost any type of tax one can think of, except VAT.

It is important to be clear about the fact that what we are seeking for charities in terms of VAT is not a concession; it is merely equality of treatment with local authorities, which already recover VAT. When I was running the Spastics Society and it ran a handicapped school for spastic children, that operation looked remarkably similar to those operations run by local authorities. The only difference between the two was that, when I repaired the roof of one of the Spastics Society schools, I paid 15 per cent. more than the local authority. There is great similarity between the two operations. For that reason, it is all the more unacceptable that the position of charities in relation to VAT should remain significantly worse than the position of local authorities or commercial companies. I do not believe that any hon. Member or anyone outside the Chamber wants that to persist.

The Government's arguments are well known. They say that, if they were to grant relief, it would be indiscriminate. That is a most extraordinary argument. That has never deterred the Government from making other concessions, of which in some cases they are justifiably proud,, for example, on legacies and covenants. In those cases no distinction has been drawn between the charities that can benefit from them.

When we ask for VAT relief we are suddenly told that charities are not be entitled to the special relief although they benefit from the other concesions because in the Government's eyes some charities are not deserving. The argument cannot logically be repeated. I hope that my hon. Friend will not repeat it tonight.

It is also argued—I have seen letters from Treasury Ministers about this—that VAT relief cannot be granted because it is only of value to those who pay VAT. That is an extraordinary argument. Of course it is valuable to them only because they suffer from the heavy VAT burden. It is of no benefit to someone who does not pay VAT.

The Royal National Institute for the Blind pays £300,000 a year and the Royal British Legion pays £250,000 a year in VAT. Such sums are paid by many similar organisations. That money could be far better used on behalf of blind people, ex-service men and others.

The argument of lost revenue is put forward, but the benefit to the community of allowing greater resources to remain in the hands of the charities, and the multiplier

[Mr. Yeo]

effect that that would have, is considerable. That argument does not stand up especially from a Government who are interested in obtaining value for money.

The administrative objections are greatly exaggerated, as my hon. Friend the Member for Exeter (Mr. Hannam) has said. I am disappointed to find that within the past few weeks letters have been sent from the Treasury saying that the relief would have to be granted to as many as 100,000 organisations. I hoped that we had passed that point in the argument. I had hoped that the detailed submissions made over the years by the Charities VAT Reform Group had reduced that figure to a maximum of 20,000 organisations. If, because of its anxiety over administrative costs, the Treasury wished to reduce the numbers still further, it could place a financial limit below which it would not consider individual cases. The numbers could then be reduced to a few hundred.

If my hon. Friend needs further confirmation of the fact that only a few charities have a turnover of more than a few thousand pounds he has only to study the report made last year by a Select Committee in another place in connection with a private Member's Bill which dealt with the reform of local charities.

I have no doubt that if the Government are interested in boosting the voluntary sector the best thing that they could do would be to grant charities a general relief from VAT. I regret that the hon. Member for Sedgefield did not feel able to give the Labour party's unequivocal support for a general relief.

I was deeply disappointed by the Budget this year which contained so little for charities after the submission from the Charities VAT Reform Group to the Treasury. It includes a shopping list of possible reliefs. Limited reliefs could be confined to specific areas—for example, the extra VAT cost of altering buildings as required by fire officers. Such relief could have met with the Treasury's favour. It was a source of great regret to charities that it did not do so.

Newspaper advertisements are a highly sensitive matter for charities. Charities use newspaper advertisements to a great extent for fund raising. Charities are debarred from advertising on television. They can advertise only in newspapers, and that is now to bear this additional cost. The figures have already been quoted. The 110 charities that have been surveyed spent £1·2 million on newspaper advertising. That is not a guess; it is an analysis of the amount of advertising last year which would have borne the extra cost of VAT. If all charities had been included, the figure would have been much higher.

The advertising bill must inevitably result in some curtailment of the charitable work carried out by those organisations. The latest extension of VAT will affect many organisations which have not previously been burdened with it. Oxfam, whose work is done mainly outside this country, has not had the problem before, but it will be brought into the net. Any hon. Member who is worried about the adequacy of our overseas aid programme should support the amendment, because the resources that organisations such as Oxfam have available for helping the Third world will be reduced.

If the Government accept the amendment, they can be confident that they will not be bestowing huge benefits on what they may regard as dubious charities because they are not large users of advertising space. The proposal will effect such organisations as Actionaid, Dr. Barnardo's and Help the Aged. They will be penalised.

9.15 pm

The Opposition have also tabled an amendment which contrasts with a slightly equivocal alliance position. At the time of the Band Aid record before Christmas, when there was a tremendous outcry in the country about the famine, the right hon. Member for Plymouth, Devonport (Dr. Owen) — in characteristic headline-grabbing form — jumped on the bandwagon and said how much he opposed the collecting of VAT on the Band Aid record. I look in vain for any alliance representative tonight. The right hon. Gentleman is not here, nor is any alliance Member. I shall look carefully at the Division lists to see whether any alliance Member has supported the amendment. If not, we must ensure that we publicise that fact. When there is a bandwagon, we all know who will be the first to jump on it—the right hon. Member for Devonport. But when there is an opportunity to right a wrong, he is not here. I deplore the fact that there is no alliance Member here to support the amendment, and I urge hon. Members to vote for it.

Mr. Alfred Morris (Manchester, Wythenshawe): Mine will be a brief intervention in what is a most important debate. I shall speak briefly out of respect for the many other hon. Members who wish to participate. The hon. Member for Exeter (Mr. Hannam) has played a distinguished part in the long campaign against the onerous new burden imposed on charities by the doubling of VAT. I honour the hon. Gentleman and the all-party disablement group, of which he is an officer, for both the strength and the excellence of their advocacy over the years.

As the hon. Gentleman said, the Multiple Sclerosis Society is severely disadvantaged by VAT. It has to pay a large amount of money which could be used for much better purposes. Other victims are the Spastics Society, the Royal National Institute for the Blind and the Royal National Institute for the Deaf. Many others are also badly hit.

I wish to quote from a letter that I received today from Sir John Cox, the director of the Spastics Society. He said:

"The Spastics Society was not only disappointed that VAT relief was not given in the budget but we were dealt a double blow when the Chancellor extended VAT to newspaper advertising. The Society will now have to find £30,000 to cover this new VAT bill in addition to the estimated £700,000 it will already have to pay in unrecoverable VAT in 1985-86 alone."

Why mug the good Samaritan in that way? Not only will VAT on advertising restrict the Spastics Society's ability to raise money; it will affect educational advertising that is designed to promote greater understanding of disability and of the problems and needs of disabled people.

Brian Rix, speaking on behalf of Mencap, has said to me:

"For running a charity, we are being clobbered."

Is the Minister happy with that comment on the Government's approach? I hope he will think again, as he should, on the basis of the compelling evidence that has been put to him in this debate. Other Governments have found a way around this problem. The Irish Government have a list of charities to which repayment of VAT is made. What stops this Government from returning VAT to the charities whose work is, by common consent, for

the public good? If other Governments can do so, why do the Government here argue that it would be administratively impossible to exclude particular charities? I strongly urge the Minister to listen to Sir John Cox, Brian Rix and all those in the voluntary sector who fervently want him tonight to agree that enough is enough and that this totally unacceptable burden on charities must now cease.

Mr. Dafydd Wigley (Caernarfon): I join the voices that have come from all parts of the Committee in support of this series of amendments. I appeal to hon. Members of the Liberal party and others who may feel that we should be arguing about the finer print to concentrate on the main argument. That argument has been put year after year by those who work hard in the sphere which we are discussing.

On the Government Benches I see the hon. Members for Exeter (Mr. Hannam) and for Suffolk, South (Mr. Yeo), who have worked hard for a number of years on behalf of the cause that we are discussing. They must be feeling extremely frustrated that the Goverment have failed so far to respond to the pleas that have been made and are rapidly painting themselves in the public mind as an Administration who are anti-charity.

I find this diffucult to understand, because the Government have on numerous occasions emphasised the important role of the voluntary sector. Time and again we have heard — in connection, for example, with disablement—that the voluntary sector should be doing more and should be filling some of the gaps which inevitably have arisen because of cuts in Government expenditure. Yet the very means of raising money for the voluntary sector—advertisements for charities—is being penalised by the Budget. I feel a sense of despair about the way in which the Government have yet again savaged charities.

As we have heard, there are answers to the technical problems that arise. In any event, those problems must be overcome, because there is a real danger that we shall find ourselves on a downward spiral. Many charities advertise to raise money, and part of that money is recycled to raise more money, and so on. If we go into the cycle the other way round, taking out of the equation money which would be used to raise more money for worthwhile work, less will be available to promote and project charities, and less will come in.

Hon. Members in all parts of the Committee have responded individually when charities have needed urgently to project an issue. We have been asked to chip in £10 or £20, taking perhaps a half-page advertisement in a publication, for a worthy cause. VAT will add 15 per cent. to the cost of that—an imposition that could be avoided.

We have seen how some charities have been able to respond quickly, as with the famine crisis in recent months. Following dramatic pictures being shown on television, advertisements in the press on behalf of some charities hit home at a critical time. VAT on advertising will penalise people doing that excellent work.

I shall not repeat figures which have already been presented to the Committee by other hon. Members. Excellent work has been done by the all-party Charities VAT Reform Group. It is high time that the Government took notice and stopped using the perennial "No" to the pleas that are made on behalf of charities.

Dr. John Marek (Wrexham): I support the amendments, though not unreservedly, because charities must tidy up their own shop. While I support most charities, and contribute to some, there are two types about which I am not happy.

Reference has been made to dubious charities, and there are many of them. The total number of charities runs into six figures. There must be hundreds, perhaps thousands, of charities of a dubious or questionable nature, and if VAT relief were granted on their advertising, that would be taxpayers' money going astray. I support the amendments, but it is clear that a review of charity law, how charities register, and what type of charities may register, is long overdue.

There is another type of charity about which some of my hon. Friends worry. I refer to the public schools. The average person is not aware that they are charities. Those who send their children to public schools are, by and large, wealthy enough to be able to opt out of the public sector. Everyone pays rates and taxes that contribute towards public sector schooling, but some people can opt out of that schooling and have their offspring educated at their own cost. I do not really object to that. I object to the privilege that is enjoyed by those who have been to public schools, but I do not mind that the public schools enjoy charitable status and do not have to pay VAT. Such charities, in any case, rarely advertise in the press. The dubious charities may advertise in the local and national press. The local press will be hit quite hard, certainly over classfied advertising.

Overall, I support the amendments. There may be administrative complications, but I do not really think that the Minister can rely on that answer. My hon. Friend the Member for St. Helens, South (Mr. Bermingham) has suggested a possible solution. Charities could be given relief by means of a cut-off point or some other method. The will should be there. Mencap and Oxfam, for instance, are bona fide, worthwhile charities, and it is immoral to tax such bodies.

I have some reservations. Charity law needs to be tidied up. However, I hope that the Minister will be able to suggest something on Report which will embody the spirit of the amendments in the Finance Bill.

Mr. O'Brien: Among the amendments to the provision about VAT on newspaper advertising, amendment No. 4 has created the greatest concern among all parties in the Committee. I hope that the Minister will take note of the concern expressed in all sections of the Committee on this important and emotive subject.

The charities have been hard done by in the past. When VAT was doubled, they were hit hard. The imposition of VAT on improvements to accommodation and new building hit charities in many areas, particularly those engaged in the relief of poverty. I hope that the Minister will consider the points made tonight about the relief of VAT on advertising by charities.

A letter that I have received from the Minister of State says:

> "The Government does of course recognise the immensely valuable role which charities play in this country, not least in taking the pressure off health and local authorities."

That is a truism, and I hope that the Minister will accept it this evening. However, I am sure that when he replies to the debate he will use the following passage from the same letter:

[Mr. O'Brien]

"VAT reliefs for charities on specialised goods needed for their work have been significantly extended since 1979 to include ambulances . . . welfare vehicles"

and other aids for the handicapped.

I accept that, but a number of hon. Members have mentioned the number of charities that will have to pay VAT on advertising. A prime example is the Royal British Legion, which has to advertise—sometimes even with full-page advertisements—to get help. The legion will be hit hard. It pays £250,000 in VAT each year and that burden will rise. The legion does sterling work to relieve poverty and does not receive covenants of £10,000 and so on, so it will not benefit much from other changes in the Budget.

I hope that the Minister of State will accept the points made by hon. Members on both sides of the Committee. I urge Conservative Members to mobilise their forces, because no Opposition Member will oppose the amendment. However, it would be preferable if the Minister agreed to accept it.

9.30 pm

Mr. Bermingham: I am always puzzled when people say that tasks are administratively difficult. Where there is a will, there is a way.

Every charity has a registered number. A group cannot become a charity without being registered. Therefore, every charity has a number. Even the Treasury should be able to understand that.

All that we need to do is to persuade the Treasury to agree that every charity that advertises should receive from the company to which it pays the money a receipt showing the number and name of the charity and a sum of money plus VAT. Like all registered traders, the charity could take its receipts to the Customs and Excise every quarter and claim tax back.

Numerous traders make such claims every quarter and the number of charities that will advertise is tiny. The Treasury does not seem to understand that the vast bulk of the 100,000 charities are organisations such as the South Malden Registered Tree Preservation Society—I have made up that example—with assets of £150, virtually no income each year and no activity. It would be eminently easy for charities to get the money back.

Compassion is supposed to rule in our world. The Government keep telling us that these are stringent times and there must be self-help and private sector involvement in helping the elderly, the young, the sick, the disabled and everybody else. But only an uncompassionate Government could say to those whom they are asking to help ohers, "Terribly sorry. In order to raise funds, we shall take a little more from you."

The Government say that the change will cost about £1 million. I do not care about the sum involved, because a greater principle is involved, which is whether we have a compassionate, caring society that recognises the value of work done by charities.

Charities need to advertise to raise funds. Our national budget is over £120 billion and £1 million is a relatively infinitesimal sum. Any administrative difficulties could be overcome by the simple method that I have recommended. I know from experience that the Treasury does not like anything that is simple or straightforward or that seeks to exempt. Charities nowadays, it would seem, are as much for squeezing as anybody else.

I saw the Prime Minister on the 6 o'clock television news tonight attending a party in the House today for handicapped children. When asked whether she would rather be at Prime Minister's Question Time or at the party, she rightly said at the party, and how much she admired the character of the children. I wonder whether the Prime Minister would take a little time this evening to extend that flicker of human kindness and pass it on to the Chancellor of the Exchequer. She might suggest that, if the Government are to have a compassionate face, they could start by telling Treasury officials not to worry about the complexity, and that the hon. Member for St. Helens, South had offered a simple solution to how charities could get back the money, so Ministers could be instructed to withdraw the VAT on advertisements placed in newspapers by charities.

It would be not a bad start to the second quarter of 1985 if the Government would show just a little compassion and let the charities keep all the money that they raise through advertising. After all, the charities need it far more than the Government do.

Mr. Hayhoe: The debate has ranged much wider than the amendment. I make no complaint about that, because I know that the subject excites a great deal of genuine and sincerely held interest and deep passion throughout the House.

First, I pay tribute to the all-party Charities VAT Reform Group, which was started by my hon. Friend the Member for Suffolk, South (Mr. Yeo). Although I have had disagreements with representatives of the group when I have met them, I fully support the work of the group. It helps Parliament and the country better to understand the problems. As discussions proceed, I hope that an even deeper understanding of many of the problems involved will develop between us.

I deal first with the cost of the amendment. Although I am advised that the cost will be approximately £1 million, I acknowledge, as has been said by the hon. Member for Sedgefield (Mr. Blair) and other hon. Members, that the Charities VAT Reform Group, in a survey of a limited number of charities, has already estimated that the cost would be £1·2 million. Indeed, as I said to my hon. Friend the Member for Suffolk, South two or three weeks ago, I should like to put my officials in touch with those responsible for the survey. We ought to be able to agree on the factual realities of the matters under discussion. We may differ about how we treat them, but at least we should attempt to achieve a better understanding. I am concerned at these apparently substantial differences between the estimate that the hon. Member for Sedgefield gave, supported by some of my hon. Friends, and the estimate that I have been given. That offer remains open. I hope that discussion will take place and that we can clarify the position.

Mr. Blair: I support the Minister in his statement. He said that he would like to verify the figure of £1·2 million. If the figure is verified, will that make a difference to his position on the amendment?

Mr. Hayhoe: No, it will not, as the hon. Gentleman will discover. However, I think that as far as possible on this and many other issues we should try to achieve at least a common acceptance of the facts because that is a prelude to reaching decisions which are better informed, and that surely is desirable.

I am advised that the £5 million estimate is based on present expenditure on medical computers by bodies which will be eligible for the relief, including charities providing care and treatment for the handicapped and research institutions, many of which are charitable bodies. For example, universities and health authorities will qualify for the relief. The estimate is not precise and the value of the relief is expected to increase as the use of computers increases. Nevertheless, it is the best estimate available and it goes much wider than the charities that have been canvassed because under the old regime universities and research institutions had to pay VAT, whereas they will now benefit from the relief announced by my right hon. Friend the Chancellor.

Mr. Blair: If the £5 million estimate is based not primarily on charities but on other bodies which will secure relief on computers for medical research, does the Minister accept the charities' view that the relief will have a neglible effect on their costings?

Mr. Hayhoe: I do not wish to dispute the specific replies given to the hon. Gentleman by specific charities. I am simply saying that the relief must be seen in a wider context, in which, I am advised, a benefit of some £5 million will flow from my right hon. Friend's proposal.

The hon. Member for Sedgefield said that he intended to support amendment No. 5 which deals with registered charities, but he may not fully appreciate the effect of that qualification. Not all charities are required by law to register with the Charity Commission and that qualification would exclude the churches as well as charities in Scotland and Northern Ireland. It is estimated that about 40 per cent. of the charities in the United Kingdom are not among the 150,000 or so registered with the Charity Commission.

The hon. Member for St. Helens, South (Mr. Bermingham) also referred to registration, but this is a very complicated area. My hon. Friend the Member for Suffolk, South, with whose group we have discussed these matters, will recognise that complexity, as did the hon. Member for Colne Valley (Mr. Wainwright)

Mr. Bermingham: I think that the Minister has misunderstood my point. The only charities known to the law are the registered charities, each of which has a number, so all that one needs to do is to have that number put on the invoice to the charity.

Mr. Hayhoe: If the hon. Gentleman reads my explanation in *Hansard*, he will realise that that would exclude about 40 per cent. of the bodies which are seen as charities and benefit as charities within the United Kingdom. That illustrates the complexity of the matter.

I have naturally considered carefully the possibility of special relief for charities in this context, as I did when VAT was extended to building alterations last year. Such relief, however, would be indiscriminate in that it would not be restricted to those providing vital welfare services and enjoying wide public support but would extend to thousands of far more controversial and restrictive organisations—religious sects, historical and antiquarian societies, musical and brass band societies, theatres and art galleries, and so on. An immensely broad group of organisations qualify for charity status in that sense.

I well understand those who have called with feeling for a review of charity law. However, that is wider than the scope of the amendment and my responsibilities within the Treasury. For many years I have considered the matter, and I echo the sentiment that there is considerable merit in seeking a rationalisation of the law on charities. However, tonight I must deal with the amendment and what has been said in the context of the present position.

9.45 pm

The way in which we now operate would lead to a lack of discrimination between charities about relief. I am speaking about more than just relief on advertisements. At least half of the interventions were about general charity relief. Most of both speeches of my hon. Friends related to the need for general relief, and the majority of hon. Members who participated in the debate wanted general VAT relief for charities. Their speeches went wider than the amendment, but every hon. Member who spoke supported the narrower relief for press advertising.

Mr. Alfred Morris: I have been following the Minister carefully. He was rightly worried about the veracity of figures. I can assure him of the accuracy of the figures given to me by Sir John Cox, the director of the Spastics Society. How can the Minister justify the imposition of £730,000 in unrecoverable VAT on the Spastics Society in the present tax year? Is the Minister saying that that is justified?

Mr. Hayhoe: That is the result of the law as it exists. When the right hon. Gentleman was in government, his Government did not opt for general VAT relief for charities. I acknowledge that the increase in the general rate of VAT from 8 per cent. to 15 per cent., the extension of VAT to alterations, and this year's extensions increase that burden. Many of the interventions dealt with the principle involved, but the Labour Government did not believe that they could justify giving general VAT relief. I could quote what the then Chancellor of the Exchequer said, but I shall not weary the Committee with that.

Reference has been made to the additional cost imposed by press and magazine advertisements being VAT-able for charities. The extra reliefs that have been given apply within the entire charitable area, although not to the same people, and exceed the new imposition. Most of the debate has been about the argument for general relief. If this modest relief—modest in terms of money because only a million or two are involved—were conceded, it would inevitably lead to the more expensive claims for general VAT relief. A significant number of hon. Members who have spoken have made that clear. Because of the difficulties that we rehearsed last year in a similar debate about VAT on alterations, in which larger sums were involved, I regret that I cannot advise the Committee to support the amendment. It must be seen in the general context. The Government have given direct tax concessions worth about £400 million a year, which have been substantially extended since 1979. Tribute was rightly paid to the substantial increase in grants from the Government to charitable bodies.

Looking at the question in the round, while recognising the deep feelings of those who believe that charities should be excluded from the extension of VAT to their advertising, for the wider considerations that I have described, I must recommend the rejection of the amendment.

Mr. Blair: The fault of the Minister is not that he has made a bad speech but that he has a bad case. The tragedy

[Mr. Blair]

of a debate such as this is that it has been won conclusively by speakers from each side of the House, yet one fears for the conclusion of the vote.

The Minister says that there is an anomaly in giving VAT relief to charities on their newspaper advertisements. Charities have a series of reliefs from tax. There is no greater anomaly in adding the proposed relief than in allowing charities relief from capital transfer tax, corporation tax, or any of the other taxes.

If it is said that the administrative difficulties in giving VAT relief on newspaper advertisements are too great, my reply is that we should never accept an argument from a Minister about the simple cost of administration until it is given great scrutiny. One such line from a Minister in a debate of this sort is a wholly insufficient basis for rejecting the amendment.

The Minister's argument was even worse when he dealt with the costings. The Minister had no proper reply to any of the points concerning costings. I asked the Minister whether, should he discover that the charities were right about the additional costs, that would change his mind. He said that it would not, yet he says that the facts are necessary in order to make a proper decision. It seems that the Minister makes a decision first and inquires into the facts afterwards. That is a cackhanded method of administration.

It is not right to say that one must accept the general case for VAT relief for charities in order to support the amendment. I purposely said that at the beginning because I wanted to maximise support, and I do want to get drawn into that broader argument. The case for VAT relief on newspaper advertisements is a particular one, because the way that charities raise money is through advertising. That puts them in a totally separate category. The Minister's attempts to resist the amendment do not reflect credit on him. It is time that the Government's reality matched their rhetoric. It is time that they supported amendments which do precisely what they want to do and encourage charities in our society.

Question put, That the amendment be made:—

The Committee divided: Ayes 119, Noes 220.

Division No. 200] **[9.54 pm**

AYES

Adams, Allen *(Paisley N)*
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Beith, A. J.
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Blair, Anthony
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Cocks, Rt Hon M. *(Bristol S.)*
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dickens, Geoffrey
Dixon, Donald
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foster, Derek
Foulkes, George
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hannam, John
Hardy, Peter
Hogg, N. *(C'nauld & Kilsyth)*
Howells, Geraint
Hughes, Robert *(Aberdeen N)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kirkwood, Archy
Lamond, James
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
McDonald, Dr Oonagh
McKelvey, William
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Maxton, John
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
O'Brien, William
O'Neill, Martin
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Sheldon, Rt Hon R.
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Skinner, Dennis
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
Wigley, Dafydd
Winnick, David
Winterton, Mrs Ann
Woodall, Alec
Wrigglesworth, Ian
Yeo, Tim

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Allen McKay.

NOES

Adley, Robert
Alexander, Richard
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Benyon, William
Best, Keith
Bevan, David Gilroy
Blackburn, John
Body, Richard
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Dykes, Hugh
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Fletcher, Alexander
Forman, Nigel
Forth, Eric
Fox, Marcus
Gale, Roger
Gower, Sir Raymond
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Hawkins, Sir Paul *(SW N'folk)*
Hayes, J.
Hayhoe, Barney

Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hind, Kenneth
Hirst, Michael
Howell, Ralph *(N Norfolk)*
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Kilfedder, James A.
King, Roger *(B'ham N'field)*
Lamont, Norman
Lang, Ian
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Mates, Michael
Mather, Carol
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Peacock, Mrs Elizabeth
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, J.
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy

Tellers for the Noes:
Mr. Tristan Garel-Jones and
Mr. Michael Neubert.

Question accordingly negatived.

Question proposed, That the clause stand part of the Bill.

Mr. Norman Buchan (Paisley, South): We all know what agitation there has been during the past year at the Government's intention to do the unspeakable and the unthinkable — to tax publications, books and newspapers. The campaign was vigorous, accurate and eventually successful. However, there is no doubt that the possibility was large, and the likelihood was that it would have happened had the campaign not been mounted.

I recall that the last time such a proposition was mooted was in 1940, at the very time when we were fighting with our backs to the wall and being exhorted by Churchill to fight on the beaches. The Battle of Britain was being fought overhead, yet the Parliament of 1940 decided, against the will of the Chancellor, Kingsley-Wood, that there should be no such tax. A. P. Herbert said that if there were a tax on the Bible, it would be the first time that the word of God had been taxed. The thing was blown out of the water in a burst of laughter. This year's campaign has prevented a similar contemptuous end, because I believe that there are enough Conservative Members who have voted against such a proposition if it had been put forward.

We are therefore left with this mean-minded fag end of a proposition to bring in the same sort of taxation on newspapers and publications, with the tax on advertisements. I am no friend of such a tax. By definition, a value added tax is always unjust and can cease to be unjust only when it is highly selective, and when it is highly selective it can make all sorts of errors in application. We all know that. VAT is an unfair and unjust tax, so I am no friend of it. I am also no friend of the institution that brought it into being—the Common Market.

However, there is a case for looking at the expenditure of big business on advertising. As the arguments over the past two or three hours have shown, certain issue have at least been recognised by some Conservative Members; for example, in relation to job advertisements. There has been cross-party sympathy, although not necessarily expressed by a high vote.

We are left with the principle of the issue and also with other areas that are affected adversely. I shall refer to only one where I thought that the Government would show some consideration. It is the arts, first, because the arts already pay VAT. It is nonsensical that the theatre, music and cinema are subsidised by the state on the one hand, and on the other pay VAT, which immediately reduces the level of what is a mean and insufficient subsidy. The arts are in peril because of what they have to pay in VAT. It is nonsense.

Secondly, the arts sell their wares in a particular way —by newspaper advertising. The problem is that they have to advertise not once or twice, but continuously. Unless they advertise, day in, day out and night in, night out, they cannot sell their wares. A large-scale single advertisment does not do, because people need to know what is happening on a particular night. For instance, at the end of the week there will be a swapping over of "Henry V" and "Richard III" by the Royal Shakespeare Company. People need to know the dates on which the plays will be on. Therefore, there has to be continuous and expensive advertising.

In the *Standard*, three or four pages are taken up night in, night out by necessary large-scale advertising. It is costly to the major companies. It is costly to music establishments which have a run of concerts throughout the week. The programmes have to be made known. It is expensive for the theatres, and above all for the small theatres — the small visiting theatre or local theatre

[Mr. Norman Buchan]

which must have continual advertising. I assure the Minister that the level of taxation on such small theatres will be heavy and continuous.

That would not be too bad if the Government were continuing their support for the arts, but over the past few years they have, and in the forthcoming two or three years they will, savagely cut support for the arts. Next year, support for the arts will be cut in real terms by 8 per cent. When we add to that rate-capping on local authorities, it will be seen that many of the arts will be in extreme danger. Even that monetarist Rees-Mogg, the chairman of the Arts Council, has referred to the number of clients that will be put in jeopardy because of the Government's subsidy policies, which will result in a cut this year and every future year. On top of that comes a thing which may topple many of them, the imposition of VAT on the very sector in which they should be expanding to draw in more box office returns to replace the lost subsidy — advertising.

The Committee must oppose the clause. I hope that we can build up a campaign to get some sense into the Government and some understanding that if they are to impose this tax, although I hope that they will not and will concede the case at a later stage, they must at least make it understood to the Minister for the Arts and the Chancellor that the forecast level of subsidy must be increased. Some measures must be taken to stop the parlous crisis facing the arts and provide proper support to them.

Mr. O'Neill: Much of what I was to say has already been covered and I have already alluded to this subject, in a debate on the Consolidated Fund Bill some weeks ago. I am sponsored by the National Graphical Association. It has to be made clear that the impact of this imposition on employment in the newspaper and print industry generally will be severe. It is not just the 35,000 jobs in the national newspapers, the 68,000 jobs in the regional newspapers or the 19,000 jobs in magazines that will be affected, but the 14,000 jobs in distribution. In all, some 136,000 people are engaged in the production of newsprint and magazines. We shall have to wait to see how true is the Minister's claim in an earlier debate that the impact on employment will be only marginal.

John Le Page of the Newspaper Publishers Association has said that he has fears about the future of two titles. The Newspaper Society has said that this may have a serious impact on the provincial press. It would be dangerous to quote figures about the impact but it will be more than marginal. I say that for several reasons. The provincial press is now of such a flexible character that we are talking not just about the publication of one or two weekly titles. Often, there are big print centres involving several newspapers that, because of the technology, have to be *[Interruption.]* Is it necessary for me to speak above a chorus of gabble from Conservative Benches?

The First Deputy Chairman of Ways and Means (Mr. Ernest Armstrong): Order.

Mr. O'Neill: Thank you, Mr. Armstrong.

The local newspapers on which many of our constituents depend for information are printed on presses that produce a variety of other products and that bring about the viability of the printing firms that produce the papers. They do not exist only to produce local newspapers, but if the crutch of the local newspaper is removed, the fragile financial basis of those firms will be put in considerable danger.

We are not talking about jobs exclusively in the newspaper industry. The impact of the imposition of VAT on advertising could be such that some local titles will be endangered. It will certainly be a considerable burden on free sheets, which are often produced in the periods during which local machinery is lying idle. It would be a drain on the business if those machines were not employed.

10.15 pm

It is also fair to say that much of the new machinery which is being used in the provinces, unfortunately to a much greater extent than in other areas of the print industry, is expensive equipment whose use depends upon agreements being reached between the unions and management as to its maximum utilisation. For that to be achieved requires delicate and often painful negotiations by both sides, and in some aspects of the newspaper industry in the provinces, that painful stage has been reached, and discussion is continuing about the final stage in the implementation of the new technology. There is no point in print houses anticipating the maximum utilisation of their machinery if they discover that some of their titles or magazines will be withdrawn from production because they are no longer viable after the imposition of VAT.

The Minister suggested that the imposition of VAT will tidy up media advertising so that the press is treated similarly to radio and television. We heard earlier this evening about classified advertising. In terms of the technology and the numbers of people who can be contacted through the press—the viability of the print industry in general is not healthy, despite the many millions of pounds that have been poured into new equipment and techniques—too much of the attractive and expensive business that should go to British printers is going abroad. We are not talking about areas that have big problems with trade unions, but about the production of the brochures used by Thomson Holidays and some mail order firm catalogues, much of whose work is being done in print shops in Italy and West Germany. We are talking about sustaining a British industry that is fighting manfully to embrace new technology and take advantage of the improvements available to it. But it is being denied the encouragement and support that it deserves from the Government.

For the Government to say that simply because VAT is imposed on independent radio and television it must be imposed on the press, too, is nonsense. The same sort of tidy mindedness is clear when one reflects that, in last year's Budget, VAT was inposed on fish and chips, while this year it will be imposed on the newspapers in which they are wrapped.

This is a sad day for Britain, but it is not as sad as it could have been. We know that VAT could have been imposed on books and newspapers, and we are thankful that it has not been. But, since they have gone this far, we do not know how much further the Government will be encouraged to go. I recognise that we must allow this clause to go through. The two earlier amendments related to two special areas of the debate and did not take account of the industry which produces the product that is being taxed, although I believe that we should have taken

account of that. I should have thought that the Minister could have found a better target from which to raise that much-needed £50 million.

Mr. Austin Mitchell: The extension of the positive rate of VAT to newspaper advertising is unnecessary, fiddling, provocative and prejudiced—in other words, it is fairly typical of the Government's policies and strategies. First, it is part of that strategy on which the Government have embarked of taxing everything on which they can lay their hands—not only fish and chips but hamburgers, matches and lighters. It is the "we need the money" syndrome of spreading the tax burden to create the pretence that they are reducing the burden of direct taxation when all they are really doing is shifting the burden on to any item that will bear it. This is part of the typical strategy of tax duplicity on which the Government have embarked.

Secondly, we object to this measure because it will adversely affect newspapers. My particular concern is with the provincial press. The sins of Fleet street are visited on the provincial press, even to the seventh edition. All too often the provincial press is in financial difficulties. It is facing increasing competition from Fleet street newspapers which seem, in many cases, to have fallen off the back of the advertising industry. Those Fleet street journals often bear as much resemblance to newspapers as this Government's policies bear to conservatism. They are driving the provincial press into difficulties.

It is vital to our democratic way of life to preserve the provincial press. Unfortunately, all too often, the maintenance of good objective standards and good journalism depend not on the stimulus of real competition but on a monopoly's good will and conscience. Many of the evening newspapers are part of a monopoly. Some papers—the *Grimsby Evening Telegraph* is one, as I am sure the hon. Member for Brigg and Cleethorpes (Mr. Brown) will agree—maintain the honourable standards of journalism, albeit in the face of increasing difficulties. The financial constraints imposed upon them will be heightened by this measure which will affect newspaper revenue. About 80 per cent. of provincial press revenue comes not from the cover price but from advertising.

Thirdly, this is a retrograde measure because it is truckling to the EEC Commission. My impression is that if one gives such a commission an inch, it will take a kilometre. This attempt to end our zero-rated system of VAT is illegal, irresponsible and unnecessary. It is certainly not justified by the circumstances. Clearly the Government feel a need, for some strange reason, to bow in the EEC's direction. The Government are not able to tackle certain other aspects. They certainly would not wish to extend VAT to safety clothing for industrial purposes, but they have hit the newspapers.

I hope that the newspapers will retaliate by treating this Government and the Conservative party with the same impartiality, courtesy, objectivity and factual accuracy with which they have treated the Labour party over the years. The newspapers must accept that this measure is a direct consequence of the type of policies supported by them — increasing the tax burden by increasing unemployment and deferring to the EEC which, all too often, the newspapers support and back.

Fourthly, this is a retrograde measure because it hits especially severely at those who cannot pass on the VAT burden, including small business and small advertisers. It hits the small classified advertisements of ordinary people announcing events of joy or sorrow—births, marriages and deaths. Such advertisements commemorate the passing of loved ones in terms that may appear fusty and homespun to the sophisticated minds on the Government side but they are deeply sincere. These advertisements should certainly not be the objective of a tax.

Newspapers are working in an increasingly competitive advertising market. There is intense competition. I want to ask the Minister of State a question that affects the other participants involved in this competition. Is the competition on an equal footing? I am interested in the competition from pirate radio. Pirate radio is illegal. There has been an enormous increase in the number of pirate radio stations. In an answer earlier this year, the Parliamentary Under-Secretary of State for Trade and Industry said:

"my Department has monitored 74 unlicensed broadcasters on radio" —[*Official Report*, 8 February 1985; Vol. 72, c. 747.]

A list is included which unfortunately does not contain Radio Arthur which was broadcasting for the NUM during the pit stoppage. The Department took action on 124 occasions in 1984 and so far this year it has taken action against about 15. That does not have the effect of closing them because generally the radio stations continue to broadcast.

Those radio stations broadcast on the basis of advertising revenue which is taken from the pool of advertising revenue which clause 10 proposes to tax. I understood that it was an offence to advertise on pirate radio. It turns out that in their wisdom the Labour Government made it an offence under the Marine, &c., Broadcasting (Offences) Act 1967 to advertise on stations transmitting from outside territorial waters. The stations, like the Government, have to be at sea before they commit an offence relating to advertising. The two stations which broadcast at sea deny that they take advertising revenue from this country. We do not have to believe them, but they deny it.

It is not possible to stop advertising. Although the Department of Trade and Industry has written and made threatening noises to 300 companies which have been advertising on pirate radio, it is not possible to deal with them unless they are charged with aiding and abetting. That means that the principal offender—the pirate radio —must be found guilty.

The rates for advertising on pirate radio vary enormously. A 30-second slot on Capital Radio costs £705 whereas on Radio Jackie, in south-west London, it costs £5. That may not be enormous amount, but it is taken from the pool of advertising revenue. I have to confess to an illegality by listening to Skyline Radio on the way home at night. It is quoted in *The Guardian* that advertising on Skyline Radio costs between £50 and £225. Payment is strictly in advance. Advertising brings that station about £600 a week. It exceeds the basic running costs of £400. It is, therefore, possible to make money out of pirate radio stations. Are those pirate radio stations registered for VAT? One of them boasts of being registered for VAT. Are the 74 registered for VAT? If they are illegal, how can they be registered?

I have heard car hire firms, hotels, discos, garages and a whole series of businesses advertising on pirate radio. Is the VAT payable on those advertisements allowable

[Mr. Austin Mitchell]

against tax? Is the advertising of those firms tax deductible? The matter plainly raises a moral issue and it is perhaps a little unfair to spring it on the Minister.

If the VAT on advertising or the advertising on pirate radio are tax allowable, why are not the hiring of call girls, prostitution or any other form of illegal activity allowable? That opens fascinating vistas that I hope the Minister will deal with. Those questions must be answered in the light of the competition that these stations now provide for legitimate advertising on commercial radio, which already pays VAT, and for newspapers, which will pay VAT under these proposals.

10.30 pm

Mr. Peter Pike (Burnley): I wish briefly to support my hon. Friends who oppose the clause. The proposal to impose VAT on newspaper advertising is a retrograde step. Although the Government may not have actually spread the rumour prior to the Budget that VAT might be imposed on both books and newspapers, they welcomed the publicity, because it made the proposal in the Budget appear small fry compared with what people feared.

The Government are moving in the wrong direction, and having taken this first step I fear that they will be encouraged to move further down that road. Although VAT has not been imposed on books in this Budget, they may move in that direction in future. Therefore, we must oppose the clause. I hope that the Government have second thoughts because we are talking about a small and insignificant part of the overall Budget.

I am concerned about the implications for the provincial press. During recent years a large number of local and regional newspapers have closed. They have been under threat from the free newspapers and other sources going for the limited budgets of advertisers. The local and provincial press are dependent on advertising from people who cannot claim back the VAT—those advertising births, marriages, personal classified advertisements and so on. That is a substantial part of their advertising.

If the Government continue in this direction, many more local papers will be under threat. While I often differ with what they print, I believe that they have a right to print it. It would be a bad day if more of them closed. I accept that the free press has a part to play, but it is no substitute for a weekly or daily regional newspaper. I do not dispute its right to exist, but the amount of editorial material, when compared with a traditional paper, is small. Many free newspapers have few reporters and depend almost entirely on advertising revenue. The local press also depend on that advertising revenue to survive. Any pressure put on them will cause more of them to close, which would be a bad day for local news.

I hope that this is not the foot in the door to putting VAT on to newspaper cover costs and books. As I have been serving on the Transport Bill Committee, I have not heard the earlier debates, so I do not know if the Minister has already answered my point. I hope that the Government will assure us that they will not move in that direction and that, even at this late stage, they will have second thoughts about imposing VAT on newspaper advertising.

Mr. Mark Fisher (Stoke-on-Trent, Central): I apologise for not being present for all the clause stand part debate.

My hon. Friend the Member for Burnley (Mr. Pike) said that the free press was no substitute for a professional provincial press. In some areas free newspapers have become a valuable addition to journalism in Britain, but they are threatened in a dangerous way by the clause.

As my hon. Friend said, the quality of the free press is variable. Some rely almost entirely on advertisements and make no attempt at journalism. What little copy they carry is syndicated. But some, such as the *North Staffordshire News and Advertiser*, make a distinct effort at journalism. Indeed, because of their limited journalistic resources, they have found a mode of journalism that matches those resources. They cannot cover the whole range of local activities, so adopt a more campaigning role, and they have added a positive and distinct element to journalism.

As my hon. Friend the Member for Sedgefield (Mr. Blair) said, there are now 700 of them and they are a force to be reckoned with. By threatening them, the clause is threatening an embryo movement in journalism which may become insignificant and unimportant, but which could, as I hope will, develop into an interesting part of the media, particularly in the local and provincial sphere.

The clause affects them in a number of ways, some of which the Minister may not totally have taken into account. He may not have appreciated that the whole revenue of free newspapers now bears VAT, a move that is more radical than that which we were discussing in previous amendments in connection with VAT on charities.

This will add considerably to the costs of these newspapers. For example, a local newspaper in north Staffordshire, I was informed last week, has had to employ an extra member of staff simply to deal with the more complex type of invoicing. For a small business run with few staff, that has been a considerable extra cost.

About a third of that newspaper's advertising is placed by clients who will not be able to reclaim VAT. The paper carries 12 pages of advertising, four of which, it is estimated, are from small traders such as people in insurance and finance and from charities. The revenue of such newspapers is affected in an even more radical way than I suspect the Chancellor realised when he introduced the measure.

As I pointed out, it is to be hoped that the free press becomes a significant and valuable addition to journalism. Ironically, this VAT proposal will not only squeeze them as small businesses—and the Government claim that they see small firms as providing the main source of employment in the coming years—but will squeeze their editoral quality. If their revenue is squeezed, their attempts to become serious, albeit limited, journalistic vehicles will be equally restricted.

The Government will force them back into a laager of advertising and syndication, with no attempt being made at even the present embryonic movement into local campaigning journalism which could make them valuable. Instead, the Government will condemn them to being rather limited advertising rags. That cannot be what the Government intend. It would not be to the benefit of local communities, and in strangling these small areas of innovative journalism, the Government will also be strangling some of the small businesses that they claim to want to help.

Mr. Blair: We have already debated the effect on consumers of the imposition of VAT on newspaper advertisements, and it is right that we should also consider the effect on the newspaper industry.

Most of the relevant points have been extremely well made by my hon. Friends the Members for Clackmannan (Mr. O'Neill), for Paisley, South (Mr. Buchan), for Great Grimsby (Mr. Mitchell), for Burnley (Mr. Pike) and for Stoke-on-Trent, Central (Mr. Fisher). The House is, therefore, in the fortunate position that it will not have to listen to me for long. [HON. MEMBERS: "Shame."] I am always open to persuasion.

The Minister of State accepted the estimate of a 3 per cent. drop in revenue resulting from the imposition of VAT on newspaper advertisements. That is a high figure, considering the margins on which some papers operate.

I concur with what my hon. Friend the Member for Stoke-on-Trent, Central said about free newspapers. It is often not realised how many people are employed by those papers. It is estimated that there could be as many as 13,800 full-time employees and almost 96,000 part-time employees. All the revenue comes from advertising. The growth in the number of free newspapers has been enormous and it is clear that it will continue if it is allowed to do so. The employment effects are as important as anything else.

We have said throughout our debates that the Minister should be particular in his estimate of the employment effects of introducing VAT on newspaper advertisements. The Government's record in predicting the employment effects of VAT is extremely poor. Last year, VAT was imposed on takeaway foods and we were assured by the Chief Secretary to the Treasury that the employment effects of that would be minimal. However, the Hot Takeaway Action Group, which has carried out a large survey, estimates the effects to have been devastating and it is suggested that 20,000 people have been made redundant as a result of that imposition of VAT.

I hope that the Minister of State will give us specific predictions of the employment effects of the imposition of VAT on newspaper advertisements. We fear that it will drive many newspapers at the margin to make a considerable number of people redundant and that it may even put some papers out of business.

Mr. Hayhoe: The hon. Members for Paisley, South (Mr. Buchan) and for Burnley (Mr. Pike) referred to press speculation that the Government might put VAT on newspapers and books. I assure both hon. Members that that was speculation and that the Government had no hand in it.

The hon. Member for Burnley asked whether the imposition of VAT on press and magazine advertising is an hors d'oeuvre to VAT being imposed more widely on the printed word. I refer him to what my right hon. Friend the Chancellor said in his Budget speech. He announced that while the Government accepted that this was an area in which European Community law had to be reckoned with, and where we were bound by treaty obligations, he did not intend to make any further extensions of the VAT base during the lifetime of this Parliament. That is an absolute assurance along the lines for which the hon. Gentleman asked.

10.45 pm

The hon. Member for Paisley, South referred to advertising for the arts—concerts, theatre and the like—and was concerned that the imposition of VAT on advertising would be an additional burden upon the arts which would have adverse effects. In fact, theatres, concert organisations and the like are registered for VAT. If they have a turnover in the year of over £19,500, they are registered and charged VAT on their ticket sales and, therefore, can reclaim the VAT that they pay on their press advertising as they now reclaim other VAT charges that they have to meet. In those circumstances, I think the generality must be that the worries of the hon. Gentleman will not be reflected in practice. Indeed, I know of no representations from the arts world on this issue, because these organisations are well aware that they can reclaim any additional input tax that they have to pay on their advertisements.

The hon. Gentleman made some general comments about Government support for the arts. This is not the occasion to reply to them, and I do not intend to do so. However, for the record, I do not accept his critical comments.

The hon. Member for Clackmannan (Mr. O'Neill) referred to the effect of VAT on advertisements in the press and magazines and was concerned about whether this might result in some job losses. As he knows, and, indeed, referred to, we had been talking along these lines on earlier amendments. I do not intend to repeat what I said then. The estimates that I have indicate that the job effect will be very small.

What I can be certain of, however, is that if job losses occur in the press and magazines, the VAT charge on advertisements will be blamed for everything. Last year, when VAT was imposed on hot takeaway food and that coincided with a record rise in the price of potatoes, fish and vegetable oil, it was never suggested that the difficulties which the industry encountered had anything to do with the price of raw materials—it was all blamed on VAT. Anybody who is involved in tax affairs of any kind knows that one attracts that kind of comment.

I met representatives of the Hot Takeaway Action Group recently and asked them whether, on the basis of group's latest surveys, they could differentiate between the various effects. The surveys were not scientifically carried out, as the representatives acknowledged. The surveys were limited, and it was perhaps a somewhat partial sample that was taken. Therefore, even the representatives of the group do not contend that the surveys give a proper view over the whole of the hot takeaway food area, and they had to acknowledge—and did so quite freely and openly—that they could not differentiate between the various effects.

As to Government forecasts — and reference was made to my right hon. and learned Friend the Chief Secretary—the first time that we shall have evidence is later this year when we receive the family expenditure survey data for 1984, which will give us a pretty clear indication of spending on hot takeaway food. We shall have to wait until later this year to have some scientifically produced estimates in the expenditure survey, after which we will be better placed to make a judgment.

To return to the question of jobs in the printing industry generally, if management in the printing industry were offered a choice between a much more realistic and co-operative attitude by the trade unions that operate in that industry and the imposition of VAT on its press advertising, I am sure which it would choose.

[Mr. Hayhoe]

I share the concern that has been expressed about the loss of printing in the country and the fact that so much printing has moved abroad over a long period of years. I am delighted that some of it is coming back to the country. That is because management is now being allowed better to manage and use the new technology. I welcome the helpful and constructive comments that have been made on this matter. If those attitudes are reflected more widely I hope that British printing, which had a fine reputation in the past, will be able to recover much of the ground that has been lost.

The hon. Member for Great Grimsby (Mr. Mitchell) referred to the VAT position of pirate radio. As he recognised, that is going a little wide of the clause. It may be out of the same pool, but so are a great many other things. The hon. Gentleman thought that he would be lucky to get an answer from me today, and he was right. Nevertheless, I shall look into the matter and write to him about it.

I commend the clause to the Committee.

Question put and agreed to.

Clause 10 ordered to stand part of the Bill.

Clause 35

PERSONAL RELIEFS

Dr. Oonagh McDonald (Thurrock): I beg to move amendment No. 7, in page 34, line 2, leave out '£4,255' and insert '£4,475'.

The Second Deputy Chairman of Ways and Means (Sir Paul Dean): With this it will be convenient to take amendment No. 8, in page 34, line 3, leave out '£2,690' and insert '£2,830'.

Dr. McDonald: The purpose of the amendment becomes clear when one considers the careful way in which the Chancellor presented his statement about age allowances. He said in his Budget statement:

"I propose to increase the age allowances this year by the same cash amount as the corresponding basic allowances. Thus the single age allowance will rise by £200 and the married age allowance will go up by £300."—[*Official Report*, 19 March 1985; Vol. 75, c. 801.]

On the face of it, that seemed perfectly fair. In fact, however, it was a continuation of what the Government did last year when they widened the gap between the age allowances and the ordinary personal allowances. Until then the gap had never been more than 1 per cent. but it suddenly widened to 7 per cent., working against the over-65s. This was because last year the Government more than indexed the ordinary allowances but merely indexed the age allowances. As a result, 2·4 million pensioners over the age of 65 had to pay an extra £130 million in income tax, although the Government looked after the better off pensioners—those with investment income—through the abolition of the investment income surcharge.

Having read carefully virtually every word of the Minister's response to a similar Opposition amendment last year, I find that the Government produced no good reason whatever for their treatment of pensioners. There is absolutely no justification for making a distinction between increases in personal allowances to pensioners over the age of 65 and increases in ordinary personal allowances — unless there is an implicit justification which the Government would prefer not to state out loud. As the Government choose to believe that unemployment is due at least partly to the unemployment trap, they may regard it as more important to raise the allowances of people in work to ensure that they continue to work and do not chicken out and take unemployment benefit or social security benefit instead. The consequence of following that argument through is that pensioners' tax allowances do not matter much and that it is sufficient to index them. If one failed to do that, pensions would be cut, in so far as they are subject to tax.

This year the Chancellor of the Exchequer tried to cover the Government's tracks by announcing the same cash amount, yet on examination that is not as fair as it seems. This year's Budget increases the single age allowance by 8 per cent., and the married age allowance by 7·6 per cent. Both are higher than the present rate of inflation, but who knows what will happen to inflation by the end of the financial year?

The real point of comparison is between the single person's allowance or the married woman's allowance, which increases by 10 per cent., and the married man's allowance which increases by 9·5 per cent. The Government have raised the age allowances by a little more than the present rate of inflation but not as much as the ordinary allowances. The reason for that is not clear, unless it is, as I suggested earlier, that pensioners do not matter much because they do not affect the unemployment figures. Perhaps the Chief Secretary can suggest a reason for distinguishing between the age allowances in that way — a distinction which was introduced last year and which continues this year, although not to the same extent.

We are suggesting higher amounts than the Government have done in order to go some way towards rectifying the damage done to pensioners in last year's Finance Act. Our amendment seeks to raise the single person's allowance to £2,830 and the married age allowance to £4,475. I am sure that the Chief Secretary will have done his sums carefully, but, before he produces them, I can tell the House that the cost of our proposal is £57 for a married age allowance and £45 for a single age allowance. Those figures are based on the tax ready reckoner statement in the autumn statement 1984. Those are modest costs. In the clause that we shall debate tomorrow, the costs for a full year will be £155 million, which will go to the better off. Today we have made a modest proposal which costs about £1 million, and which will do a little to help pensioners and to make up for last year's bad treatment.

We have a substantial number of pensioners in mind. In the last tax year, 1·25 million single pensioners over the age of 65 and 1·30 million married couples, of whom one of the partners was over 65, paid tax. Forty per cent. of pensioners are affected by taxation and, therefore, our changes would affect a large number of them. We want the Government to be more generous to them than they are disposed to be.

Last year the Government introduced the gap between the two amounts of allowance, and this year they have widened the gap between the age allowances and the ordinary tax allowances. Having introduced this sort of discrimination last year, the Government—although it does not appear so until one begins to examine the implications of the Chancellor of the Exchequer's statement—have widened the gap between pensioners and the rest, and one wonders why. No explanation has been given and we are dying to hear the Chief Secretary's justification for it. Perhaps it is all part of a general attitude which the Government seem to have been developing towards pensioners ever since they came into office.

I have mentioned changes, not directly related to taxation, which show what the Government's attitude to pensioners seems to be. For example, the Government changed the basis on which the state pension was assessed, so that it was no longer related to earnings. If that earnings rule had not been changed, a married couple would be getting £62 a week instead of the current £57 a week. A single pensioner would be getting £38·90 a week instead of the current £35·80. So the Government have already attacked pensioners once by changing the basis on which the state pension increases should be assessed each year.

11 pm

Then there is the threat of the abolition of the state earnings-related pension scheme. We know that the Cabinet has yet to come to a decision about that, and I can understand why there is much in-fighting going on in the Cabinet. After all, on the 1983 figures, at least a million pensioners will be affected. If the Government decided to

[Dr. McDonald]

abolish the SERP scheme straight away, so that nobody benefited from the scheme any more, a million pensioners would be affected and they would lose on average about £2.30 a week.

Therefore, from the Government's past behaviour—the tax changes what were made last year, which are continued in this year's Budget, and all the talk about the abolition of the SERP scheme—we can see that the group about whom the Government care least are the pensioners. The Government would do well to remember that they are large in number, and that many can ill afford the kind of damage that the Government seem to be determined to do to their income.

When we looked at the kinds of thing that the Government might do, on the basis of the estimates of the development of the economy, the level of PSBR and so on that the Government provided, we could see that with better planning and with better intentions the Government could afford to raise the single person's pension by £5 a week and the married person's pension by £8 a week. We have yet to hear what proposals the Government have for pensions this year.

From the Budget statement and the Finance Bill, we can see that the Government plainly do not care about the lot of the pensioners and are determined to enlarge the distinctions between the tax treatment of pensioners and the tax treatment of the rest of the Community. The Finance Bill is designed to continue the damage that the Government started to do to the incomes of pensioners last year. That is why we are seeking to amend the Bill in this way.

Mr. Austin Mitchell: I support my hon. Friend the Member for Thurrock (Dr. McDonald) in the points that she so tellingly made. Her speech placed its main emphasis—as it should, coming from the Opposition—on proper provision for the aged. The amendment proposes to increase the age allowance to compensate for the Chancellor of the Exchequer's vicious treatment of pensioners last year. While, as my hon. Friend said, the married man's allowance has increased from 1979 up to this year by 125 per cent., and the single person's allowance has increased by 124 per cent., the single person's age allowance has increased by only 107 per cent. and the married person's by only 105 per cent. That is not good enough. Special problems and responsibilities fall upon the aged and it has always been considered right that the tax system should provide special help through tax allowances for them. That is provision which we back strongly. We are concerned about the Government's niggardly cheese-paring attitude, which hits those most vulnerable by failing to increase the allowances in the way that is proposed in the amendment.

The Government's attitude prompts the question, "What do the Government have against the aged?" They have ended the dual link that the Labour Government established between pensions, prices and wages, whichever increased the more, and now we have a bubbling, seething morass of rumours about the treatment of the earnings-related element in the pension. However, the Government never have the courage to implement their prejudices and they will draw back ultimately. It should be recognised that the rumours are causing much uncertainty among the elderly and those who are approaching retirement age. We remember the rumours which the Chancellor of the Exchequer eventually had to scotch in the Budget statement about the Government's treatment of the pension funds. Against this background, it is only to be expected that we should ask ourselves what the Government have against the pensioners.

The explanation that enters my head is that the deliberate campaign against pensioners is one way of distracting attention from the fact that on 15 October the Prime Minister will become a pensioner. We shall have then the spectacle of a grey-haired couple in the evening of their lives—a little out of touch with reality but only by 100 years—who have become gentler, all their passion spent. They have nothing else to do apart from wrecking the national economy and plaguing those less well off than themselves. That will be characteristic of their policy up the retirement, which is designed to distract attention from the historic event of pension day for the Prime Minister. That is why the Government have embarked on a deliberate campaign against pensioners.

The Labour party sees it as its responsibility when in office to reverse the Government's policies. The Labour party is the party which provides for pensioners. It has always done so and it will continue to do so. When it takes office it will reverse what the Government have been doing by cheese-paring benefits and tax allowances to which pensioners are entitled as of right in according with social justice and human decency, which are concepts foreign to the Government but sacred to the Opposition.

The Chief Secretary to the Treasury (Mr. Peter Rees): We have had a brief but interesting debate, which is to a degree a continuation of our debates last year on this subject. I make no complaint about that. It is right that we should return to these important issues. Perhaps the hon. Members for Thurrock (Dr. McDonald) and for Great Grimsby (Mr. Mitchell) drew the wrong conclusions from the facts. They may feel on reflection that some of their remarks were rather highly charged, especially when we go back a little in time.

The hon. Member for Thurrock explained clearly the basis of the amendment. It seeks to index on the basis of the amendment which was introduced on 1 May last year by the hon. Member for Birmingham, Perry Barr (Mr. Rooker). Last year the Government proposed full price protection for the age allowance for the elderly. This year we propose full price protection and more. We are saying that there should be some cash in addition, which is £300 for the married age allowance and £200 for the single age allowance. In cash terms, that will keep them level this year with the ordinary basic allowance but, I concede, not quite in percentage terms.

The hon. Member for Thurrock asked about the theme of the Budget and quoted, not a little selectively, from the speech of my right hon. Friend the Chancellor, who said that the emphasis of the Budget was on jobs and people of working age. That does not mean that we intend to discriminate against other groups. That point was made last year, when my hon. Friend the Minister of State said that positive discrimination in favour of people of working age did not imply discrimination against any other groups.

Lest such a conclusion be drawn, we should examine the facts. Since 1978-79 there has been a £2,180 increase in the married age allowance, compared with a £1,920 increase in the basic married man's allowance. The single age allowance has increased by £1,390, compared with a

£1,220 increase in the basic one. I hope that the Committee will not think that that shows discrimination against the elderly. The married age allowance is at its highest point since the war and the single age allowance is at its highest since 1974. That does not show sustained discrimination by the Government against the elderly.

Clause 35 should take 60 per cent. of the over-65s out of charge for tax. I know that the hon. Member for Birmingham Hodge Hill (Mr. Davis) deprecates my giving the figures of people taken out of charge for tax. I know too, that he is a keen student of these matters, but I shall not take up what he said on Second Reading. Clause 35 should ensure that 260,000 of our elderly compatriots are taken out of charge for tax. I do not think that that indicates discrimination or that we have no care for that group.

Mr. Terry Davis: The right hon. and learned Gentleman and I share an interest in these matters. How many of those 260,000 people were taken out of tax last year by the increase in age allowance and are therefore being double counted?

Mr. Rees: I cannot give a precise figure. If it can be ascertained during the debate, I shall give the hon. Gentleman the answer. If not, I shall write to him. I am sure that he will add it to his store of knowledge on this important, if slightly arcane, subject.

There is no obvious reason why the elderly should retain a constant percentage premium over the younger taxpayer. Perhaps I might draw the attention of the hon. Member for Thurrock to the fact that there was no constant figure under Labour. I could take her through successive years to show that the proportion that the age allowance bore to the basic allowance was reduced steadily under Labour. Having winced under the hon. Lady's harsh criticisms about clause 35, I was reassured to find that, in 1976, the basic and age allowances were increased by the same cash sum. All of the strictures which the hon. Lady has advanced against us might, if well founded, be advanced against the Labour Government. I am sure that that point must have escaped her attention, otherwise she would not have developed that theme.

11.15 pm

Mr. Austin Mitchell: Surely the gap was never widened to this extent. The ratio was always more closely maintained under that Government. Even if there was a slight widening, it was never a widening of this degree. The difference between an increase of 107 per cent. in the single person's age allowance and 125 per cent. in the married man's allowance since 1979 is quite considerable.

Mr. Rees: I know that the hon. Gentleman has great enthusiasm for these matters, but let us look at the problem in its true context. My hon. Friend the Member for Braintree (Mr. Newton) moved a similar amendment to that moved by the hon. Member for Thurrock (Dr. McDonald) on that occasion. It is curious that those themes run through our debates. He said that there was no clear water between the basic old-age pension and the age allowance. There is considerable clear water on this occasion—about £23 a week for the married man's age allowance and £15 a week for the single man's age allowance. Further, on that occasion, when the Labour Government were in power, the basic rate was 35 per cent., and now it is 30 per cent. Therefore, if the hon. Gentleman reflects closely, he will see that we have a slightly better record than the previous Administration. However, I do not want to enter into a competitive battle on that point. I only want what we have proposed to be viewed in its true context.

I hope that when Committee members reflect on the extent to which we are proposing that the married and single age allowance should be put up, on the number who will be taken out of charge for tax altogether, and on the fact that this is the highest level for an elderly married man since the war, and for an elderly single person since 1973-74, they will see that all the strictures that have been advanced by the hon. Members for Thurrock and for Great Grimsby are not well founded. I know that the hon. Lady is fair-minded. I hope that now she has had a chance to reflect on my remarks, she will not feel disposed to push her amendment to a Division.

Dr. McDonald: As I listened to what the Chief Secretary had to say, and as he referred back to the Minister of State's speech last year, I found that there was still no answer. To give different percentage increases for the age allowance as opposed to the ordinary allowance is unequal treatment. Such inequality has to be justified. No justification whatsoever has emerged from what the right hon. and learned Gentleman said.

The differences between the age and ordinary allowances have been moving on apace under the Government, particularly since their re-election in 1983. For example, in 1983-84, the figure for the single age allowance as a percentage of the single person's allowance was 132 per cent. As proposed in the 1985 Budget, the figure is 122 per cent. That is a 10 per cent. drop in two years, which is pretty much of a change, and at a pretty fast rate. The married person's allowance is slightly bigger than that. If we take the married age allowance as a percentage of the married person's allowance, in 1983-84, it was 134 per cent. In this Budget, it will be 123 per cent. That enormous change is being made in the value of the age allowance, although it has been raised a little bit above the rate of inflation in the current financial year.

That is unequal treatment. It is a steady and fast rate of change. The Chief Secretary has still not provided any justification for that whatsoever, although the Government declare that they are particularly committed to reducing the burden of taxation, a matter that we can discuss further on clause stand part. Frankly, the right hon. and learned Gentleman has not justified what has been done in this year's Budget. It is still unequal treatment, and will leave many pensioners worse off than they might have been if the Government had chosen to treat ordinary taxpayers and pensioner taxpayers in the same way.

Amendment negatived.

Question proposed, That the clause stand part of the Bill.

Dr. McDonald: In clause 35, the Government appear to be generous in the way in which they have raised the married persons' and single allowances above the rate of inflation—10 per cent. and 9·5 per cent. respectively. The Chief Secretary has said that these allowances now stand at the highest point since world war 2. At first sight it seems as though the Government are being very generous and fair in the tax treatment that they have meted out. However, once again, everything is not as it appears.

For example, up to the Budget, and even in the course of the Budget speech, Ministers made great play of the

[Dr. McDonald]

point that raising the allowances would deal with the poverty and unemployment traps, and that this is the best and most efficient way of treating this problem, and a way designed to help those on average and below average earnings. The Government continue to put up that case, in spite of the fact that it has come under fire and justified criticism.

I shall focus not on the unemployment trap but on the poverty trap, because I want to examine the burden of taxation and how it is distributed. Last December, the latest figures available gave the figure of 270,000 families caught in the poverty trap. That is a five-fold increase since 1979. The various efforts that the Government claim to have made to relieve the poverty trap have made it worse.

Some of the families caught in the poverty trap pay marginal tax rates of between 75 and 100 per cent., and some—a small proportion—pay marginal tax rates of over 100 per cent. Recently, when the *Daily Mail*, with its usual factual basis, claimed that the Labour party might bring in tax changes that would impose marginal tax rates of 98 per cent. on certain people, there was a great outcry from the Conservative Benches. However, I hardly ever hear any Tory Member complaining about the number of families caught in the poverty trap and few voices complaining about the numbers paying marginal tax rates of 75 per cent. and above. They seem only to begin complaining when those who might face high marginal tax rates because of changes are the very rich. The complaints do not come when we deal with the 270,000 families who, in the nature of the case, because they are able to claim family income supplement, are extremely poor. About such cases there is hardly a peep from the Tory Benches about the poverty trap. Nor is there a serious attempt to get people out of the poverty trap.

Indeed, with the national insurance contribution changes introduced in the Budget, the Government have casually introduced another three poverty traps, although admittedly they do not give rise to marginal tax rates such as the ones that I have just mentioned. However, they mean that many people will pay more tax, or they encourage employers to hold down wages so that their employees are not caught in the poverty trap through increases in taxation because their wages are increased from, say, £55 to £58 a week. The Government have done nothing in this Budget, as in previous Budgets, to reduce the number of families caught in such traps, nor have they seriously considered the problem.

The Government claim that they have assisted people on average and below average earnings, and that they have reduced the amount of tax and national insurance contributions that they must pay. Yet if we take that as a proportion of earnings in 1985-86 as compared with 1978-79, we discover that those on half average earnings, two thirds of average earnings or just on average earnings —I am talking about married couples with part-time working spouses, or married couples with two children and part-time working spouses—for all the Government's alleged efforts, are paying roughly the same tax as a proportion of their earnings as they paid in 1978-79. For all the steam, noise and effort that the Government have allegedly engaged in, the tax changes will make little difference to their tax burden.

In contrast, high-paid households—those on five times average earnings—have enjoyed an average reduction in their tax bills of 14 per cent., while those on 10 time average earnings have enjoyed an increase of 22 per cent. compared with 1978-79.

I listened with great interest to the speech of the Financial Secretary to the Treasury on Monday 29 April, and I came to the conclusion that he either had little grasp of the statistics—I am sure that that is completely unfair —or that he was trying to pull a fast one. He said that the Government were more concerned with the genuine quality of life than were the Opposition, and then went on to say that what really mattered was the increase in real take-home pay, or real wealth, under this Government compared with under the Labour Government. Of course, he is correct to say that take-home pay has been increased for some groups, because gross earnings have been increasing at a much faster rate under this Government —I understand to their dismay—than they did under the Labour Government.

I say that the hon. Gentleman was trying to pull a fast one because he suggested that we should focus only on the real take-home pay of those groups, instead of on the Budget and the Finance Bill, which are designed to deal with the distribution of the tax burden of those income groups. To suggest that all that matters is that people's real take-home pay is increasing—the Opposition certainly do not object to that—is not the point. The distribution of the tax burden is the point. To say that real take-home pay has increased for this, that or the other group is neither here nor there. The Financial Secretary gave the game away by comparing the increasess in real take-home pay for those on twice or five times male average earnings under the Conservative Government, with the increases under the Labour Government. According to a survey of personal earnings in 1982-83, we are talking about 44,000 people earning five times average earnings and 1·5 million people earning twice average earnings.

11.30 pm

The Financial Secretary referred to enormous increases —14 per cent. in the last five or six years for those on twice male average earnings and 28 per cent. under the Conservatives for those on five times male average earnings — for a tiny proportion of the 22 million incomes.

The Financial Secretary to the Treasury (Mr. John Moore): Knowing that the hon. Lady is as fair as she is statistically accurate, I am sure that she will remind the Committee that I gave the precise comparisons for average earnings, and half average earnings as well as for twice and five times average earnings. In all those cases, including half average earnings, those people have done better.

Dr. McDonald: Exactly. I made that point. I said that the Financial Secretary was leading us up the garden path a little by trying to make us focus on the notion that what mattered was the increase in real take-home pay. Certainly there have been increases for all the income groups to which the hon. Gentleman referred. I do not dispute the figures, but they are not the point. The point is that the increases have been unequally distributed under this Government far more than under the last Labour Government.

A Finance Bill is concerned with the distribution of the tax burden, not simply with recording the increases in real

take-home pay for various groups. It is insufficient to say of the increase in real take-home pay for families on low incomes, "They are fine; they are definitely better off." The real take-home pay to which the Financial Secretary referred excluded VAT and other charges which hit such families harder than families on average and above average incomes. Even the net tax cuts of £1·73 for a married couple and £1·15 for a single person will mean that those in receipt of below average earnings will receive less in their wage packets or salary cheques. In fact, the benefits have already started to disappear because prescription and water charges have increased and excise duties and VAT on various items have been imposed or increased. That hits low-income families much harder than families on twice or five times average earnings.

One could say that the Financial Secretary—I am sure that it was unintentional—was also trying to pull the wool over our eyes by merely referring to the increase in real take-home pay. The hon. Gentleman knows that that excludes VAT and the other duties to which I have referred. The Government have hit the living standards of the low paid far harder than they have hit those of other people.

National insurance contributions are not part of the Finance Bill, but they are part of the Budget and therefore I shall deal with them. We are now all coming to the view that tax and national insurance contributions must be taken together.

The much vaunted reductions in national insurance contributions do not help much. A wages council worker earning £69·85 a week—the rate for bar staff—and receiving the full benefit of the reduced 7 per cent. rate will pay 18·8 per cent. of his earnings in tax and national insurance as a single person after October 1985 compared with 17·4 per cent. of the equivalent wage in 1978-79. Some people do not benefit from any of the changes. I am indebted to the Low Pay Unit for that example. It illustrates once again that the changes do little to help the low paid, that the rich continue to benefit from this kind of Budget, and that there has been no change in the Government's policy.

Taxes have risen in real terms by £26 billion, at 1984-85 prices, between 1978-79 and 1985-86. The only people to have benefited by about £3 billion a year are those with well above average earnings. When we first consider the clause, from the point of view of the Opposition and the public, it seems that the Government are being generous. Allowances are being raised well above the rate of inflation, and they are accompanied by changes in the national insurance contributions. It seems that those with below average earnings will benefit. A closer examination shows that once again nothing has been done to relieve the poverty trap. Those on below average earnings are still paying about the same amount of tax and national insurance contributions as they paid in the last year of the Labour Government, and yet the Government continue to condemn the Labour Government for grossly increasing the tax burden.

Before the Government took office, they said that they would cut taxes and everyone would benefit. That is partly why people voted for them in 1979. Since then, people have begun to understand that when the Government talk about tax cuts that means tax cuts not for everyone, but only if one belongs to that small minority whose wages are double or more than double average male earnings. That is the focus of the Government's attention. They might choose to justify it by saying that if they give incentives to that group of people it will revitalise the economy because they are the innovators who will create jobs. The Government have been up to that kind of trick for the past six years. We are still waiting for those rich innovators to invest, innovate and create more jobs. That justification has gone straight out of the window.

The Government have increased the tax burden. Whatever the Financial Secretary chose to say last week, the tax burden has been even more unfairly distributed than it was before. The only beneficiaries are the better off. The low paid are as badly off as ever, despite the apparent initial glories of the clause. When we look at it, it fades away like fairies' gold. It is nothing in the hands of the low paid.

Mr. Austin Mitchell: My hon. Friend the Member for Thurrock (Dr. McDonald) made a telling and powerful argument against the Government on social priorities. As she said, the whole of the Government's strategy was based on the trickle-down theory of economics—if more money is given to the wealthy it trickles down to the poor. As Galbraith put it, if we feed more hay to the horse it trickles down to the road to be eaten by the birds, so the more hay we feed to the horse the better the birds are fed. All that has trickled down from this Government is excuses, distorted statistics and sermons from the Prime Minister. The benefits that have been showered on the wealthy—to the tune of £3,000 million every year to the top 5 per cent. of income earners — have not stimulated economic activity or trickled down to the poor. They have not provided the dynamism that was originally envisaged.

It is interesting that tonight we are debating certain clauses because of a conflict of pressures. We want to debate those clauses to which we take the greatest exception; the Government want to debate clauses on which they wish to congratulate themselves. This clause is one of those on which the Government wish to pat themselves on the back. It is a difficult anatomical feat, but not as difficult as some of the other anatomical feats performed by Government, especially under this Prime Minister. Yet that is hardly reasonable given the social priorities embodied in the proposal on personal allowances. There is an argument whether this is the best use of the limited amount of money that the Government felt able to give away in the Budget. I do not regard an increase in personal allowances as the best use, but it is a personal choice. This Government have placed the burdens of the depression that they have created on the shoulders of those least able to bear them—the poor, the aged and the unemployed. It is about time that they were recompensed for what the Government have done to them, as victims of Thatcherism, by some increase through the tax system so that money is channelled directly to them.

I believe that that is best done through child benefit, which has not been increased to the same degree as allowances. It is likely to increase only in line with inflation. I believe that child benefit is the most effective way of channelling money to those who most need it—the poor and those with large families. That should be the priority. If there was a massive increase in that benefit, it could be combined with a tax of the benefit. There should be a massive increase to allow that money to be used where it is most effective. It would deal more effectively with

[Mr. Austin Mitchell]

poverty and the real social problems that the Government have created than the increases in personal allowances. Invevitably such increases give less to the low paid and the less well off. That is implicit in the system. But the Government have been giving more to the better off all along.

Under the Budget a Cabinet Minister earning £827 a week—one wonders why they are paid so much given the extent of the devastation that they have caused in the economy—will receive a weekly reduction in tax and national insurance of £8·87. Congratulations to Cabinet Ministers. The mass of the people, and certainly the less well off, have peanuts and penury.

The very myth that taxes are being reduced is punctured by the telling figures provided in answer to parliamentary questions by the Low Pay Unit. Anyone on a half or two thirds of average earnings, or even on average earnings, is still paying a higher proportion of his income in direct tax and national insurance than he paid in 1978-79. I want to quote the figures to puncture the myth once and for all. After five years of saying that they are reducing the tax burden, the person on average earnings is still paying a higher proportion of his income in direct taxes than he paid in 1978-79.

11.45 pm

In 1978-79, a single person on average earnings paid 31·7 per cent. of income in direct taxes. In 1985-86 the percentage is 32·5. A married couple on half average earnings in 1978-79 paid 16·4 per cent. of income in direct taxes. In 1985-86, they are paying 18·7 per cent., an increase of 14 per cent. The social priorities of the Government involve taking from the poor to give to the rich, sanctifying it with cant and rhetoric about stimulating an economy which visibly they have depressed and ruined. A married couple with two children on two thirds of average earnings in 1978-79 paid 12 per cent. of their income in direct taxes, whereas in 1985-86 they are paying 13·2 per cent. in direct taxes.

Those social priorities, which are absolutely wrong, which the clause does nothing to alleviate and which characterise the Government, have brought the economy to the present pass of a country stale in decline, larded with the vainglorious platitudes of a Prime Minister of a Government who are viciously placing the sacrifices of that decline on the poor and those least able to carry the burden. Those are the priorities represented by the Government.

Mr. Peter Rees: We have had two wide-ranging contributions from the hon. Members for Thurrock (Dr. McDonald) and for Great Grimsby (Mr. Mitchell). They were long on rhetoric and short on facts. Indeed, at times I wondered whether we had been taking part in the same debates and had been looking at the same tax system. However, as the evenings go by in Committee Room 10 upstairs, our views may come together and we may realise that we are focused on the same problems.

The hon. Member for Great Grimsby, with his usual panache——

Mr. Terry Davis: Now answer the debate.

Mr. Rees: That was intended as a compliment. The hon. Member for Birmingham, Hodge Hill (Mr. Davis) should not be so sensitive. He knows that I am prone to distribute my compliments even-handedly between both sides of the Committee. I said that Labour Members had made engaging contributions, but I wondered whether the facts justified their remarks and whether they really had been considering what had happened to the tax system during the period between 1974 and 1979 and between 1979 and the present day.

This clause was chosen for debate. Indeed, it would have been odd had we not chosen to debate on the Floor one of the principal income tax provisions. We should have been subject to criticism by the main mass of hon. Members who will not be privileged to sit upstairs in Committee Room 10 and maybe by the world outside——

Mr. Terry Davis: There are not many sitting here.

Mr. Rees: I am sure that the hon. Gentleman would prefer not to open up that point. I was not proposing to do so, but if he would like a record kept hour by hour, day by day, of those who attend our debates, I am sure that the Clerks would oblige.

I was pointing out that it was right that during our debates on the Floor, when any hon. Member is free to contribute, at least one of the income tax provisions should have been singled out for debate.

I hoped that we might find common ground. I hoped that the hon. Member for Thurrock, with her sharp and informed view, and the hon. Member for Great Grimsby would recognise that the Government have been concentrating considerable resources on raising the basic personal allowances. The advantages of that are plain.

I am sure that the hon. Lady will be reassured to hear that my right hon. Friend the Chancellor of the Exchequer will be devoting £1·5 billion of resources to raising thresholds in 1985-86. In a full year, the cost will be £1·87 billion—a fairly considerable diversion of resources to what I thought were the common objectives of taking as many as possible of our fellow countrymen out of tax and concentrating particularly on the less well-off sectors.

The Opposition say that child benefits have advantages, but they have disadvantages, too. First, they do nothing for the elderly. Very few elderly couples are likely to be able to claim child benefit. We had an interesting debate about concentrating more resources on the elderly, but the Opposition now advance a contrary case and say that we should have concentrated resources on child benefit and not on basic allowances. Child benefits do nothing for single people or for the childless.

We could have an interesting debate on how to tackle these various problems, but I hope that the Committee will recognise the Government's sincerity and determination to concentrate resources where it is felt that the need is greatest.

Mr. Austin Mitchell: On the better off.

Mr. Rees: The hon. Gentleman makes that spurious point and I concede that the rates of tax that we inherited —98 per cent. on investment income and 83 per cent. on earned income—have been considerably alleviated. If one has a steeply progressive system, to the point of lunacy and near confiscation, and one dismantles the structure, considerable advantages will go to those who have been paying confiscatory rates.

However, if one looks fairly and dispassionately at what has happened, one sees that considerable advantages

have been concentrated at the other end. I should like the Committee to concentrate on take-home real pay. The Opposition make the extraordinary proposition that that is not what counts. In my excursions round the country I have found that that is precisely what agitates most of our fellow countrymen.

The hon. Member for Great Grimsby singled out a husband on half national earnings, with a wife and two children. The hon. Member looks alarmed, as well he might, but perhaps he will agree that he was carried away by his own rhetoric and ignored what has really happened. Under the Labour Government, the take-home income of that family increased by 4·3 per cent. Let us consider that same family in the period since the 1979 election until this year. Its net income has increased by 12 per cent. By any test that I can formulate, that family has been better off under a Conservative Government than it has been under the Government that the hon. Gentleman supported.

Let us take the same family of a married couple with two children on average earnings and consider how its net income improved under the last Labour Government. It improved by 1 per cent. I do not scorn that; it shows an improvement. Let us consider how that family has done under this Government. Its net income has increased by 13 per cent. I know that the hon. Member for Great Grimsby is a fair person, and I now look forward to his informed comment.

Mr. Austin Mitchell: The statistics that the Opposition were giving are the important ones. The Government who stated that they would reduce the burden of taxation have increased the burden of direct taxation on those with average earnings. That is the only point that we make. It is surely hypocritical to bring in other factors to try to compensate for the real increase in the burden of taxation that has taken place.

Secondly, what the Chief Secretary is saying is directly opposite to what the Chancellor has said. The Chancellor said that earnings are going up too much and that it is our responsibility to pay ourselves less, to be less grasping about take-home pay and to price ourselves back into jobs. Is the Chief Secretary therefore telling the Chancellor of the Exchequer that he is wrong about this?

Mr. Rees: The hon. Gentleman is tempting me to go into a wider field than I think is justified by the clause. I would be delighted to talk about the workings of the labour market, but I suspect that, were I to do so, I would be in some difficulties in staying within the rules of order.

The hon. Gentleman explains what has been happening. Of course real earnings have been going up. Let us take the more general point that he and his hon. Friend the Member for Thurrock made, that the burden of taxation has gone up. But, of course, they have not looked at the composition. They have not realised that two fifths of the increase is due to North sea oil, two fifths to indirect taxes and one fifth perhaps to a degree to national insurance contribution and to rates. We are endeavouring to cap rates, and I therefore hope we shall command the support of the hon. Gentleman in our endeavours. Neither the hon. Gentleman nor his hon. Friend the Member for Thurrock has recommended or even recognised what we have endeavoured to do at the lower end of the national insurance contributions for the employee, again something that I should have thought would command their wholehearted support.

Wherever one turns, therefore, one sees that the Government have been devoting considerable resources to ameliorating the direct tax burden of the less well off members of the community.

The hon. Member for Thurrock went on to say that that ignores VAT. I would only cite, as I often do, but perhaps the Committee will forgive me if I recite it, what a distinguished Minister in this field used to say. I refer, of course, to Lord Barnett. He said—and I commend this again to the Committee—that VAT is nothing like as regressive as we thought. The hon. Member for Hodge Hill, who I know does his homework thoroughly, will recall it, so he would not inflict that point on us because he knows that it is not soundly based. He knows that the range of exemptions and the range of zero rating that were built into the system by Lord Barnett when he introduced VAT in 1972-73 were designed to ensure that there would not be undue burdens on the less well off members of society.

Test it as one will, I assert with utter confidence that the Government's record in relation to the less well off members of the community in respect of direct taxation bears the closest possible scrutiny and, by any test, comes out much better, I am afraid to say, than that of the previous Labour Administration. It may be that in Committee or, indeed, outside Parliament, we shall be told in some detail what a Labour Administration would propose in this regard so that we can compare the kinds of measure that we have introduced and what a Labour Administration would introduce and, to be fair, how they would support them. I do not suggest that the Opposition do that tonight. We shall then be able to take the debate further. Today, however, I am simply concerned to commend clause 35 to the Committee and I am genuinely sorry that there is not more common ground in this area.

12 midnight

I conclude by summarising the reasons why I suggest that the clause should find favour with the whole Committee. First, it crowns what the Government have done since 1979. If the clause commends itself to the Committee today and to the House on Third Reading the basic allowances will have been increased by 20 per cent. in real terms in that period. Set against some difficult economic years, that is a remarkable achievement. Again, as I pointed out in relation to the age allowance, it means that we shall have the highest married man's allowance since the war and the highest single person's allowance since 1973-74. Moreover, I should point out to the hon. Member for Hodge Hill that the increases since 1978-79 will have taken 1¼ million of our fellow countrymen out of charge to tax.

The hon. Member for Thurrock said that there had not been a peep out of the Government about the poverty trap and problems of that kind, but surely taking all those people out of tax altogether is a most significant contribution. The hon. Lady may have other suggestions as to how we can make further advances, but to underpin any further advances we shall expect massive support from the hon. Lady and her right hon. and hon. Friends for our efforts to restrain public expenditure because only then shall we be able to make the kind of advances in this area that will command the hon. Lady's support.

We have concentrated massive resources on increasing the allowances because this takes people out of charge to tax, because it concentrates the greatest proportionate

[Mr. Rees]

benefit on the lowest sector of taxpayers and, finally, because it takes people out of the poverty trap, although perhaps not so fast as the hon. Member for Thurrock would like.

For all those reasons, whatever other reservations and differences we may have tonight and possibly even on succeeding nights, I hope that we shall find common ground in supporting clause 35 and on that basis I commend it to the Committee.

Dr. McDonald: I do not think that the Chief Secretary has managed to say anything that would encourage us to regard clause 35 as the solution to the problems that I have outlined today and which the Labour party has outlined on many occasions. In some ways, I hardly know where to begin with the right hon. and learned Gentleman's speech. I do not wish to be unkind, but to me it seemed more like a dialogue of the deaf than anything else.

I will begin with the poverty trap. At best, the changes in the Budget will take between 5,000 and 10,000 families out of the poverty trap. Between 1979 and December 1984, the latest date for which figures are available, the number of families in the poverty trap increased fivefold to 250,000, so the effect of the Government's changes in tax allowances and their failure to keep their promises on child benefit has been to increase enormously the number of families in the poverty trap compared with the number caught in the trap under the Labour Government.

The mere fact that only 5,000 to 10,000 families will be taken out of the poverty trap even with clause 35 shows clearly that raising the basic personal allowances is not the way to deal with the problem. If the Chancellor had kept the promises made by his predecessor to raise child benefit in line with increases in personal allowances, far fewer families might now be caught in the poverty trap. If the Chancellor of the Exchequer or the Secretary of State for Social Services announced an enormous increase in child benefit, the number of families caught in the poverty trap would begin to decline sharply. I could say a great deal more on that point in answer to the Chief Secretary's arguments.

I shall instead turn to a further point made by the Chief Secretary. He said that our amendment and comments about clause 35 were contradictory, but they are not. He said that on the one hand we argue for an increase in the age allowance so that pensioners are treated in the same way as those in receipt of ordinary allowances, and on the other we want an increase in child benefit. Obviously, an increase in child benefit would benefit few pensioners, but it would help a small proportion of married couples—there are only 6 million families with dependent children out of 20 million married couples. Therefore, the figure is less than 50 per cent.

We have focused so much attention on child benefit because poverty has affected families with children far more seriously, especially since 1978-79, than families without children or pensioners. That is not to say that there are no poor people to be found in those two groups. However, families with dependent children face the most severe problems of poverty.

If the Government are to concentrate on dealing with poverty, child benefit should be an important part of their programme. During the run-up to the budget and since then we have said that the attack on poverty should take three forms. The Government should increase pensions, increase child benefit, and put the long-term unemployed on the proper rate of supplementary benefit. The latter would cost a small sum—about the size of the sum that we shall debate tomorrow. There are more than 1 million long-term unemployed, that is, those who have been unemployed for more than 12 months. Our attack would, therefore, be three pronged. We refer to child benefit frequently because we know that families with dependent children face the most severe problems of poverty.

Yet, Conservative Members worry about those who, according to the *Daily Mail*, may face a marginal tax rate of 98 per cent. My hon. Friend the Member for Great Grimsby said that whoever pays that amount of taxation is a high income earner. Such people are few and far between and, probably, pay such a high marginal rate of taxation because they manage their tax affairs incompetently. Whoever pays 98p has an extremely high income.

When we talk about families caught in the poverty trap we are referring to families on extremely low incomes, for whom a further 50p or £1 a week is a matter of importance, and makes the difference between a tin of baked beans and a loaf of bread to feed the kids or nothing. We are not talking about extremely high wage earners who might suddenly find that they are losing 98p on the nth pound. That is why we are shocked and upset when we hear shouts from the Conservative Benches about such a possibility and we do not hear the same horror and disgust being expressed at the notion of families on such low incomes being faced with marginal tax rates of 75 per cent. or more. The number of families faced with those burdens has increased throughout the six years of the Government's period of office. Clause 35 will not do much to alter that position. Increasing child benefit substantially would certainly help to rescue many families from the poverty trap, and that is why we so constantly insist on the importance of that point.

The Chief Secretary, understandably, made some play with my references to VAT and so on. The Chief Secretary —as the Financial Secretary had done the week before —compared the increases in real take-home pay under the present Goverment with those under the last Labour Government, and I did not contradict the statistics which were given in the Financial Secretary's speech last week. What I said was that simply to refer to real take-home pay is not the whole point. It is, of course, entirely to the point if one is talking about the increase in the basic tax allowances. But simply to talk about the increase in the real take-home pay for lower income families is misleading, because it leaves out the other costs which low income families face and which bear more heavily on them. We are, of course, referring to 15 per cent. VAT and not to 8 per cent. Inevitably, the almost doubling of VAT bore heavily on low income families.

I described as a misleading statistical exercise the other charges and alterations in the social security system, such as housing benefit, which make a comparison of real take-home pay in an effort to describe the changes in the living standards of those with below-average earnings under the present Government and those with below-average earnings under the Labour Government. I can understand the Chief Secretary playing little games and referring, in the course of so doing, to Lord Barnett. Nevertheless, the Chief Secretary must face the fact that the bare comparison of the increases in real take-home pay under the two

Governments is entirely misleading if one wants to use it to describe the changes in living standards. That is why I referred to that point, although I understand that it does not, of course, fall within clause 35.

None of us wants to oppose the increase in personal tax allowances, but the point that we have to make again and again is that it benefits the better off more than the low paid. It is part of the continuing distortions in the tax system which have occurred since 1979, and which have led to a lightening of the burden of taxation for the better off and little improvement in the burden of taxation on those who are worse off.

We have discussed many statistical examples and I do not want to delay the House, but let us consider the married couple, where there is a part-time working spouse and no dependent children. In 1978-79 their combined tax and national insurance contributions were 15·9 per cent. of their earnings. In 1985-86, following the application of clause 36, they will be 16 per cent.

With 10 times average earnings for the same couple, 65 per cent. of their income would have been taken in 1978-79, and 50·9 per cent. of their income would be taken in tax and national insurance contributions after 1985-86.

That is the inequality and the discrepancy which concerns the Opposition, along with the poverty to which I have referred. We consider the Government's measures entirely insufficient to deal with the unfairness and with the poverty which exists in Britain.

Question put and agreed to.

Clause 35 ordered to stand part of the Bill.

Clause 40

RELIEF FOR CLASS 4 CONTRIBUTIONS

Question proposed, That the clause stand part of the Bill.

12.15 am

Mr. Terry Davis: I shall be grateful if the Financial Secretary to the Treasury will take this opportunity to reply to the point which I put to him on Second Reading and which he overlooked when he replied to that debate.

Mr. Moore: I shall address myself to the clause and endeavour to deal with the specific matter which the hon. Member for Birmingham, Hodge Hill (Mr. Davis) raised on Second Reading. As most Ministers deal with many issues when replying to a debate, I cannot remember the specific one that he raised. I have no doubt that the hon. Gentleman will seek to intervene again in the debate to remind me what it was. If he does so, I shall endeavour to reply. If I cannot do so adequately tonight, I shall seek later to convey the information to him.

I realise that we must be considering the Finance Bill and that it must be May, because we are still at it, as it were, at 15 minutes past midnight. I have no doubt that we are all quite comfortable in Committee terms.

Clause 40 seeks to provide tax relief for the self-employed on one half of their class 4 national insurance contributions. The relief will be given as a deduction in computing total income. This means that it will be allowed after the profits on which class 4 contributions are based are worked out, and so will not in turn affect the amount of the contribution. The Committee will be interested to know that about 1·1 million self-employed will benefit from the relief. It will be given at the taxpayer's marginal rate so that, where he is liable at higher rates, relief will be given at his highest rate. For someone liable for the maximum class 4 contribution for 1985-86 of £607, and paying tax at 60 per cent., the benefit will be £182. I have details of particular examples which the hon. Member for Hodge Hill used on a previous occasion, but he may prefer me not to go into them in detail as they prove his points and mine as well. However, I should be only too happy to go into details if he wished me to do so.

The change will provide a substantial boost to the self-employed and underlines the importance which the Government attach to this part of the economy. The majority of our smallest businesses are in the self-employed sector and it is from here that we see an increasing proportion of lasting jobs. The number of self-employed has increased by nearly one third since 1979.

This is but one of many measures which the Government have taken to help small businesses. Apart from the changes in national insurance contributions in the Budget, the income tax thresholds have been increased and capital gains tax retirement relief is being extended. We shall probably be discussing later the extension of that relief. Most recently, the report entitled "Burdens on Businesses" identified the priority areas for reducing the burden of regulation. The report is being followed up urgently.

Previously, the self-employed have not been entitled to set any part of their national insurance contributions against tax. In law these contributions count as a personal, not a business, expense. This contrasts with the position on class 1 contributions, where the employer's share of the contributions payable in respect of his employees has always been tax deductible as a business expense. The self-employed have long argued to both sides of the House of Commons that part of their contributions should be similarly allowable. The Government are persuaded of the rightness of their case and the clause remedies what many of us see as a long-held grievance. I trust that both sides of the Committee will support the clause.

Mr. Terry Davis: I had hoped that we might make rapid progress and, therefore, I made only a brief opening contribution. It is clear that the Minister has missed the point that I made on Second Reading. I shall repeat it, because I am sure that he will try to reply to it this evening rather than engage in correspondence, if only to save us debating the clause again on Report.

As the Minister has noted, the benefit of the arrangement is much more for someone on very high earnings. For someone who receives more than £45,000 a year, the benefit of tax relief on class 4 contributions amounts to £182 a year. However, the benefit for someone at the top end of the band earning £13,780 is only £91 a year. The Financial Secretary has used those figures.

On Second Reading, I asked the Government why they had chosen to reduce the classable contributions paid by the self-employed as they have done. There are two ways in which they can be reduced. The Government have chosen to allow tax relief on half of the contributions. On Second Reading, I told the Financial Secretary that the same effect could be achieved for most self-employed people by reducing the amount of the contribution from 6·3 to 5·3 per cent. That would provide exactly the same amount of money to a self-employed person earning

[Mr. Terry Davis]

between £4,150 and £13,780 a year and mean that someone who earned £45,000 a year would still benefit to the tune of only £91 a year from the reduction in class 4 contributions.

We see no justification for giving tax relief on class 4 national insurance contributions, thus providing twice as much money for the person who earns £45,000 a year as for the person who earns £14,000 a year. that is not soley a matter of equity; cost is also involved. the Government's choice involves more paperwork for the self-employed person, because that person must claim tax relief in the tax return. It also involves more work for the Inland Revenue. The Financial Secretary is nodding, so I must be right.

The Treasury has admitted in a press release that the Government's preferred method will involve a significant increase in the number of people employed by the Inland Revenue. I thought that the Government wanted to reduce the number of civil servants, but they have chosen a method that is inequitable and involves the employment of more people at tax offices—they will employ more people to be unfair.

I have heard somewhere that what the Government describe as a significant increase in staff in the Inland Revenue will come to about 50. They are to be employed, not to collect extra revenue, but to distribute this largesse to the self-employed. That is strange behaviour for the Government, especially when we are told that they have had to shelve plans to mount an assault on the so-called black economy by employing people to counter tax evasion, which would involve the creation of 42 new posts. The Government say that they cannot afford 42 people to deal with some of the most serious aspects of tax evasion, and yet they can employ more than 50 people to ensure that people who receive more than £45,000 a year get an extra £182 as compared with £91 for those who earn just less than £14,000. I had hoped that the Financial Secretary would be able to justify the cost of that inequity. I hope that he will do so now.

Mr. Moore: When he wound up the debate on Second Reading the hon. Member for Hodge Hill made many points, and I was not sure to which matter he was referring. As I did not want to delay us I did not want to go into detail, but I am delighted to do so now. So that I can be complete in my coverage, I shall try to cover all the points that he made.

I refer, first, to the principle. I see the hon. Gentleman's point. However, with respect, in this instance there is a confusion in the arguments that he is advancing because we are seeking to give the self-employed a similar tax relief to that which the employer has in relation to a part of his contribution. Simply reducing the rate of class 4 instead of giving tax relief would not bring the tax treatment on to a fairer basis. A cut in the class 4 rate would be at odds with the contributory principle under which the self-employed must broadly pay their way for the benefits they receive.

We are not in dispute about the facts. The hon. Gentleman is right about the extent to which those on a higher income will benefit more than those on a lower income, but there is a ceiling. The maximum benefit is about £182, against the £607 potential maximum total contribution, compared with a benefit of only £90 in the case that he illustrated.

On Second Reading the hon. Gentleman went into considerable detail about a person with profits of only £100 a week. I would not challenge any of the facts. He rightly suggested that that person would save only 19p per week. It is important to view that in relation to the saving against the amount of his class 4 contribution as well, because it is the combined package that someone in that category will see is he is considering his position of self-employment. As the hon. Gentleman knows, class 4 is calculated on an annual basis. On profits of £5,200—£100 a week—the figure comes out at £1·27 per week, and 19p represents a 15 per cent. reduction. If the contribution is small, the tax savings must also be small, by definition. The saving is much more significant if the reduction in class 2 of £1·25 is included. On the combined class 2 — class 4, the person might now pay £6·02 per week. Under the proposals in the clause and the class 2 national insurance changes, he would pay £4·58 per week, a reduction of £1·44, or approximately 24 per cent. I accept that it is not a massive reduction in money terms, but it is significant in proportionate terms.

On Second Reading the hon. Gentleman went into detail on the potential additional paperwork, and referred to cash flow implications. I shall refer to that too, for completeness. There will be next to no extra work for small business men. As the hon. Gentleman was right to say, it is the inspector who calculates the class 4 contributions by reference to the business profits. It is he who will calculate and allow the class 4 tax relief. There will not be a cash flow effect. Class 4 is charged on the income tax assessment on the profits of the business, and is payable in two bites, in January and July, along with the tax on those profits. In the vast majority of cases the class 4 relief will be given in that tax assessment. Thus, by the time the business man pays his tax and class 4, his tax bill will have been reduced to reflect the class 4 relief. The reduction in class 4 itself would not come through earlier.

The hon. Gentleman was right to say that there would be additional staff. One should put it in proportion, but he is right, and it is an important point. The additional Inland Revenue manpower cost of administering the relief is estimated at 60 to 70 units.

I apologise if I did not cover all the points initially. I trust that I have done so now.

Mr. Terry Davis: I readily accept the Financial Secretary's most courteous correction of my point about cash flow. Since our debate on Second Reading I have done some more homework and realised that I exaggerated the argument.

With regard to the benefit to a self-employed person paying class 4 contributions, I stand by what I said.

The Financial Secretary referred to the point that I made on Second Reading about 19p a week, but that was a separate issue. I was commenting on the progressive nature of these contributions—a point covered by the Chief Secretary in that and other debates. He said that it was inevitable in any increase in allowances. We disagree with the Government about increases in tax allowance being a way to deal with the poverty trap, because it benefits people on the highest marginal rates of tax.

12.30 am

I shall concentrate on the inequity of giving £182 to the self-employed person who receives £45,000 a year, but only £91 to the person who receives £14,000 a year. To do that, the Inland Revenue proposes to employ between

60 and 70 extra staff. I am delighted to receive the Financial Secretary's assurance that there will not be any extra paperwork for the taxpayer, but it is bad news for the taxpayer that he will have to pay more for the extra staff to calculate this tax relief, when it could be done without any extra staff, if only the Financial Secretary would agree to reduce the rate of contribution from 6·3 to 5·3 per cent., and concede the Labour party's point about equity at the same time, because that would be the inevitable consequence of doing it in the way that we have suggested.

The Financial Secretary was himself mistaken at one point, when he said that it is important to maintain the contribution at 6·4 per cent. for class 4 contributions because of the benefits to which the self-employed person is entitled. I was not present when class 4 contributions were introduced by the Labour Government, but I know that they brought no increased entitlement to the self-employed. They were a method of ensuring that the self-employed person paid a fair proportion of the cost of social security. His rights and entitlements were not extended. Those entitlements all depend on class 2 contributions, so the Financial Secretary needs to do a little more homework on this subject.

The Opposition stand by what we said. The Government cannot afford to employ 30 people to counter the most serious aspects of tax evasion, but they can employ more than 60 people to ensure that people of very high incomes receive larger amounts than they would from the reduction in class 4 contributions.

Question put and agreed to.

Clause 40 ordered to stand part of the Bill.

Clause 54

ELECTION FOR CERTAIN MACHINERY OR PLANT TO BE TREATED AS SHORT-LIFE ASSETS

Mr. Wainwright: I beg to move amendment No. 9, in page 51, line 19, leave out 'fourth' and insert 'fifth'.

The Second Deputy Chairman: With this it will be convenient to take amendment No. 10, in page 51, line 23, leave out 'fourth' and insert 'fifth' and amendment No. 11, page 51, line 34, leave out 'fourth' and insert 'fifth'.

Mr. Wainwright: At this exhilarating hour of the morning, I offer the House a respite from the feeble ritual of the cracked Tory pot calling the leaky Labour kettle black, a dreary procedure that reminds me every year of the occasion when a far eastern ambassador judged the beauty finals at Skegness. After surveying the two girls, each of whose charms had great supporters in the town, he announced to a breathless crowd, "Both are worse." That describes what the Liberal party and the SDP have to contemplate every time that the Finance Bill is debated.

This amendment relates to what the Treasury chooses to think are short-life assets. In addition to the three amendments, we shall also have to amend similarly lines 8 and 12 in page 52. This matter began last year in reaction to the rather sweeping and ill-considered reform of the capital allowances for business taxation introduced in the Finance Act 1984.

In Committee on that Bill, my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) tabled an amendment to improve greatly and make much more realistic the capital allowances. That is what we seek to do in these amendments. We returned to the matter on Report, by which stage we had the welcome support of the hon. Member for Croydon, South (Sir W. Clark), the well-known chairman of the Tory finance committee. He explained to me that he was unable to attend our debates today or tomorrow, but he did not explain why so few members of that committee would be attending the debates, although perhaps that was not altogether within his power.

Last year, our amendments had the united support of the various branches of the accountancy profession, although some of the best-known business organisations were rather slow to appreciate the threat which the Chancellor had implemented in the Bill and came round to our point of view only in the late summer or early autumn, by which time it was too late for last year's Bill.

The nub of our case, last year and this, is that the Government still have not taken on board the proposition which, in the view of the alliance, should be fundamental to all taxes on the profits of going concerns. It is that taxes on business profits should fall only on the true profits, no less and no more, which means profits computed on accepted accounting conventions, not on rackety ideas of depreciation used for special purposes by the Inland Revenue. The accountancy profession today does not accept the medieval reducing balance method of calculating depreciation. It disappeared with the Ark, and the statutes up to the early 1950s gave the taxpayer the option to use straight line depreciation, which people used in their own accounts. Therefore, we have gone backwards in recent years.

Where the basic proposition that taxes on profits should fall only on the true profits is flouted, gross unfairness is inflicted between one business and another, some trades are crippled, and some are even extinguished. On this matter of taxing true profits, not spurious ones, the Government start, as previous Governments have started, with two great minuses. First, they fail to distinguish between incorporated and non-incorporated businesses. Last year, the story that such injustices over capital allowances were as dust in the balance compared with the promised reduction in corporation tax took no account of the fact that many traders—the very traders whom the Prime Minister so frequently purports to support, including new and small businesses — do not pay corporation tax. They are assessed under schedule D, and they do not receive a penny benefit from the proposed reduction in corporation tax.

The second minus is the glaringly obvious one that the Government, like all their unfortunate predecessors, make no allowances for the ravages of inflation. However, almost a generation ago—20 years ago—our neighbours across the channel in France and Belgium started to allow their tax-paying businesses to index their assets for depreciation purposes. They caught on to that obvious intellectual approach to the problems of continuing inflation, while we still pretend for revenue purposes that inflation does not exist, let alone, as at present, increasing.

It is important that the tax statutes should provide honest and realistic allowances. That was done at one time, when the Committee was rather wiser than it seems to be now. Until the late 1940s, there were separate schedules of depreciation allowance for different sorts of machinery. In those golden days, the Inland Revenue thoroughly and conscientiously met the various trade associations for different industries, discussed the type of

[Mr. Wainwright]

machinery that those industries were using and negotiated a rate of depreciation for it. The schedules were long, but they were meticulously drafted. They ensured that some type of justice impregnated the tax statutes. The Inland Revenue not only tailor-made the allowances but gave the company the option of choosing the straight-line method. All that was lost on the Chancellor when last year he hit upon this crude idea of imposing the 25 per cent. reducing balance on all traders.

Before this year's Budget, the London Chamber of Commerce expressed its concern about this injustice, saying that the new allowances

"have already hit machinery-intensive firms very hard . . . in the light of the pace of technological change, capital expenditure should be written off for tax purposes by straight-line allowances over four years."

The CBI virtually echoed the warnings of the London Chamber of Commerce. Since the Budget, and in the light of the Finance Bill, the Association of Independent Businesses, one of the leading organisations of new and independent business, has offered its support. It has said:

"This Association would support your amendment to alter clause 54 of the Finance Bill to read 'fifth anniversary'."

The association went on to give its reasons.

An interested body, the British Precast Concrete Federation Ltd., whose members employ 23,000 people, also supports this change. It estimates that, taking favourable and unfavourable factors into account, under the system of depreciation introduced last year,

"the industry will be worse off by about £6·3 million a year."

That is a large deprivation. It is a ravage caused by the tax system to an important part of the hard-hit building industry.

A distinguished accountant who is the head of taxation for one of the clearing banks and a member of the "One hundred" group of chartered accountants, so-called because they are the finance directors or the taxation managers of the 100 largest companies in the kingdom, wrote to me saying:

"I would . . . wish to generally support the thrust of your proposed revision which appears to give a more realistic interpretation of short-life assets used in industry and commerce . . . it must be right to tailor the relief given as closely as possible to circumstances in economic life."

That is just what our amendments intend.

In brief, the amendments have a different definition of short-life assets from that of the Government. We believe that short-life assets are much better described and treated as those assets that are expected to have a life of up to six years. The Government choose to take a more restricted view. For the most part, the clause as drafted would apply only to computers and allied equipment and to some highly experimental high technology equipment. That is all very well and splendid. Our amendment would include not only equipment that has a high risk of obsolescence but a good deal of equipment that is the victim of wear and tear through being knocked about and heavy work in the earth shifting sector. Many of the tools used in the building trade and tractors which are used in rough country are quickly bashed to pieces. In other words, the clause should include a much more earthy range of plant and equipment than the somewhat esoteric and sophisticated equipment which will probably obtain relief under the clause as drafted.

I come to the human side of the matter. The people who we believe need the more realistic definition are those who run new and small businesses. They are dependent upon ploughed-back profits to keep going, let alone to expand. With today's news that lower interest rates will be deferred owing to the money supply getting out of control, the message from small businesses, whether they are incorporated or unincorporated, is that unless they are allowed to keep a reasonable proportion of their profits we can say goodbye to much growth in that sector, because the Government's regime has made borrowing intolerably expensive for small and new businesses.

There are several other serious defects in the clause, and it would not surprise us if the Government were to table some fairly substantial amendments at a later stage. I do not believe that they have considered the enormous administrative burden that their system of requiring irrevocable elections, item by item, will mean. When they have second thoughts, they may come a little closer to our view.

12.45 am

I warn the Committee, if "warn" is the right term, that we do not intend to let this matter go. Unless the Government see sense, we envisage returning to the subject in a big way on Report. In the meantime, we hope that the Government will realise the importance of giving a signal of hope to manufacturers by taking on board our amendments and adopting a much more realistic definition of a short life asset.

Mr. Moore: I am not sure to what extent I should cover all the ground that the hon. Member for Colne Valley (Mr. Wainwright) covered. I am fascinated by his description of some aspects of our accountancy scheme as medieval reducing balances. I do not profess to be an accountant. I am not blessed with that expertise. During my 20 months in the Treasury I have heard that large chunks of British industry have benefited in the past from the pooling system which plainly requires the benefits of reducing balances. At some stage we can have a longer debate. I see the hon. Member for Birmingham, Hodge Hill (Mr. Davis) nodding. He is a former auditor and professional accountant.

I understand the point that the hon. Member for Colne Valley is making. The second part of his speech was more an expression of his frustration at the nature of parts of last year's corporation tax changes, and the extent to which the clause and the amendments relating to it go from that base. I understand the points that he is making, but I do not accept them.

I hoped that the hon. Gentleman could have started with a general welcome for the way in which we recognised the point which he and hon. Members on both sides of the House, although they did not like the system honourably made about what they saw as one of the flaws in it.

Mr. Wainwright: The Financial Secretary may recall that I presented that bouquet on Second Reading. I am anxious not to bore the Committee with repetition.

Mr. Moore: I assure the hon. Gentleman that flattery and compliments can never bore Treasury Ministers. I am only too happy to receive such plaudits again and again. The hon. Gentleman is correct. He mentioned the point on Second Reading.

It might be helpful if I spoke a little wider than the amendments, as the hon. Gentleman legitimately did. The amendments relate to a refinement of the capital allowances code which has been welcomed by both sides

of the House — the hon. Gentleman confirmed that welcome—and industry since my right hon. Friend the Chancellor announced it on Budget day.

Hon. Members will recall that one feature of the fundamental changes to the system of business taxation launched by my right hon. Friend in his 1984 Budget was the reduction in the rates of corporation tax. I can discuss unincorporated busninesses, but it would not be the moment as we have just had a debate which covered them. I hope that at some stage I shall be able to put on the record the other benefits that the Government believe they have added to unincorporated sector. He was right to say that the small company rate was reduced to 30 per cent.— obviously of benefit to the unincorporated — and the main rate is being reduced by a third over three years.

Another benefit is the gradual phasing out of the 100 per cent. first year allowances on business machinery and plant. The effect will be to encourage business investment, which is expected to be commercially worth while and profitable and to discourage investment which is made only because of the tax incentive. When first year allowances are phased out on 31 March 1986, machinery and plant will generally attract an annual writing-down allowance of 25 per cent. calculated on a pooling basis. I have explained why that has some advantages. The cost of plant goes into the pool, the proceeds from sales are deducted from it and the annual allowance is given on the balance.

The pooling of expenditure and disposal proceeds in this way means that balancing adjustments are not made when individual assets are sold or scrapped. Separate records and tax computations for each and every asset are not therefore needed. These are many of the advantages that exist under the WDA system. That saves work for the business, its accountants and for the Inland Revenue.

A 25 per cent. writing-down allowance on a reducing balance basis enables 90 per cent. of the cost of a business asset to be written-off for tax over eight years. This is, on average, more than adequate for the machinery and plant of many businesses, but we recognise that for some assets — especially, but by no means exclusively, those commonly referred to as high tech — it does not adequately reflect the rapid depreciation which they experience whether through technical absolescence or exceptionally heavy use. The definition goes way beyond high tech into many other items—for example, for some items in the heavy contracting industry there is usually a two to three year life rather than the eight year average life.

It might be useful if I write to the hon. Gentleman and circulate the letter to illustrate the categories of assets that we could identify, which might be helpful. The new scheme represented by clause 54 together with schedule 12 will enable the tax allowances for assets of this type to be brought into line with actual depreciation when they are sold or scrapped.

The new scheme will inevitably complicate the system introduced last year. That is an unavoidable price to be paid. It has been designed with simplicity very much in mind in order to keep to a minimum the additional compliance burden on businesses.

I ask hon. Members to understand that the kind of administrative detail required is required anyway within a business organisation. I do not think that it will much extend that work, but it will complicate matters. It is a relief to help businesses, and to that extent it must add complications to an otherwise simple pooling system.

Traders will be able to elect to have the capital allowances on business assets of their choosing—that is a critical phrase—calculated separately from the main business pool for a period of up to five years—that is, depooled. It is this period which the movers of the amendment seek to extend by a further year.

If the asset is sold or scrapped in this time, a balancing adjustment will be made so that the tax allowances over the business lifetime of the asset are equal to its commercial depreciation. That means that if an asset is scrapped altogether, a balancing allowance will ensure that the cost is fully written-off for tax. On the other hand, if the asset is sold in the five-year period for more than its tax written-down value, a balancing charge will be made to recover the excess allowances given.

If the asset is not sold or scrapped within the five year period, its tax written-down value at the end of that time will be transferred to the main machinery and plant pool. Thereafter, it will be dealt with for capital allowance purposes as if it had never been depooled.

Traders will have two years—a substantial amount of time—from the end of the year in which they bought the asset to make a depooling election. That time limit means that about a half of the five-year depooled period will have passed before an irrevocable choice has to be made. Traders will therefore be able to elect——

Mr. Michael Stern (Bristol, North-West): While accepting that two years is a long period, does my hon. Friend agree that in many cases the logical time to make an election will be when a business, whether incorporated or unincorporated, is submitting its tax computations to the Inland Revenue, in conjunction with, but often frequently later than, its accounts? There may be cases when accounts have been submitted on time but the detailed computations cannot be sorted out within the two-year period. That has been found in applications for stock relief, which are also within the two-year period. In that case, will my hon. Friend consider whether a rigid time limit on such an election is necessary or whether, given that this is a relieving provision for tax purposes, it would be more appropriate to leave it at the discretion of the Inland Revenue?

Mr. Moore: We considered the issue with care and took on board the point that my hon. Friend makes. One of the most important features was to try not to increase the Inland Revenue activity; we do not want, as the hon. Member for Hodge Hill earlier pointed out, to add to the already heavy burdens that the Inland Revenue bears. Although we looked with care at the timing, I will look at the point that my hon. Friend raises, but I cannot say that I am attracted to it at first blush.

I was saying before my hon. Friend intervened that if the asset is not sold or scrapped within the five-year period, its tax written down value at the end of that time will be transferred to the main machinery and plant pool. Thereafter, it will be dealt with for capital purposes as if it had never been de-pooled. As I pointed out, traders have two years from the end of the year in which they bought the asset to make a de-pooling election.

This time limit means that half of the five-year de-pooled period will have passed before an irrevocable choice has to be made. Traders will, therefore, be able to elect selectively knowing which of their assets have already been sold or scrapped and which are likely to be during the rest of the de-pooled period.

[Mr. Moore]

The new arrangement in clause 54 and schedule 12 has the twin advantages of enabling assets the working life of which, based on the knowledge and experience of the trader, is much shorter than the average, to be fully written off, while at the same time maintaining the advantages of pooling for the generality of business machinery and plant.

The scheme as proposed in the Bill requires the transfer of unrelieved expenditure on an asset to the main business pool at the end of the fourth year following the year of acquisition, if the asset has not been sold in this time. These four years, together with the year of acquisition, make up the five-year period of separate treatment.

The amendment seeks to extend this period to six years by requiring the transfer to the main pool to be made at the end of the fifth year, following the year of acquisition, if the asset has not been sold. It is a matter of judgment and analysis. We believe that that would be going too far for a scheme deliberately aimed at short-life assets; and, in any case, we do not believe that it is necessary.

On any test, a five-year de-pooled period embraces the genuine short-life asset. It is not, therefore, immediately obvious that other and deserving categories of machinery and plant would be brought into the new scheme by a one-year extension, or, alternatively, are being kept out by the period proposed in the Bill.

I am sure that the hon. Member for Colne Valley has done the calculation, but it is relevant to note that after six years, more than 80 per cent. of the cost, under the WDA system, of the plant dealt with in the main pool has been written off for tax. To accept the amendment would add to the compliance costs of business and to the administraive costs of the Revenue, both of which we want to minimise. The amendment would not, therefore, improve the proposals as drafted but could introduce some additional and unnecessary costs, and on that basis we could not commend it to the Committee.

Mr. Wainwright: I regret the fact that the Financial Secretary did not give some indication of the different classes of asset which he claims will be helped substantially by the Bill as drafted. Until I have seen his list and had an opportunity of testing it with industrial organisations, I remain profoundly sceptical.

There are limits to what an individual hon. Member can do under the present arrangements in Parliament, but I did some investigation into what short-life assets really consist of, and that satisfied me that the period in the Bill is narrow and will leave out a good deal of plant which is heavily knocked about in the course of construction and other operations and for which about six years is a reasonable life.

1 am

I am sorry to differ from the Financial Secretary on a matter of the simplest third form arithmetic, but it is misleading to suggest that, on the reducing balance system, the asset is virtually written off by the eighth year. Even at this hour of the morning, we must not get our arithmetic so wrong.

I have been provided with an example from the files of a firm of distinguished city accountants. It involves a small, hard-working businessman who set up as a small haulage contractor. His capital equipment cost him £12,800 and consisted of a tractor and two trailers—a fairly classic example of someone trying to get a living in the harsh economic climate that has been thrust upon us.

Suppose that man elected for depooling, on the honest basis that he thought that the tractor would shake to bits in about five years, but he found in the fifth year that not only was the tractor miraculously just surviving, but he had no money to renew it and could not afford a bank loan for the purpose. The accountants have worked out that by the end of year five, out of the initial expenditure of £12,800, he would still have £3,037 not written off.

It is wrong that small traders, struggling to establish themselves, should be taxed on profits that do not exist and are merely imaginary. The claim that the asset is virtually written off by the eighth year is not true.

I shall spare the Committee a long dissertation on pooling, but the Financial Secretary is trying to have it three ways at once. He extols the virtues of pooling, but also extols the virtues of the clause, which is a depooling measure and will mean that all the individual items that he professes to regard as so burdensome to business and the Inland Revenue will all appear. A vast number of businesses will make the election, just to be on the safe side.

What is the objection to the proper, diligent method of recording each asset? Any self-respecting company keeps a plant register. It does not have an amorphous mass called "machinery"; it has a register of assets, who made them, their cost and their estimated life on installation. As most businesses use the straight line method of depreciation, they keep detailed individual depreciation records. It is bad management to have a vast, unspecified collection of assets with no identification.

If the Financial Secretary believes that the Inland Revenue will object to the record keeping, let him say so. It is inaccurate for him to claim that business does not want to keep the records. It keeps them, anyway. I am not convinced by the hon. Gentleman's reply, but at this hour it would not be wise to press the amendment to a Division. Therefore, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Mr. Blair: As has become apparent from the speeches on the amendment moved by the hon. Member for Colne Valley (Mr. Wainwright), in many ways clause 54 is a belated attempt to recover from some of the disasters of the 1984 Budget changes in capital allowances. The distorting effects of those changes can be seen in the capital investment figures for 1984 and the projections for 1985. There was a considerable rise in the amount of capital investment in 1984, dropping away in 1985. This bulge seems largely to be a result of companies bringing forward their purchases before the capital allowances changes fully take effect.

It is worth mentioning as a matter of background that the CBI survey, which is fairly heavily relied upon by the Government, says that many companies expect capital investment to fall quite sharply. Secondly, capital consumption as a whole in the United Kingdom has exceeded investment by some £1·6 billion since the end of 1981. Without going in detail into what occurred before 1984, that system of capital allowances seems to me to have had three major commercial advantages. First, it

allowed a first year allowance of 100 per cent. on the purchase of plant and machinery. That obviously gave a tremendous advantage to companies that were purchasing plant and machinery at the time because they could set off the entirety of the purchase price. Secondly, the pre-1984 system looked at the matter in terms of the purchase of assets, not the sale of assets. I am uncertain whether the clause, based as it is upon the sale of assets rather than the purchase of assets, will create as many problems as it seeks to solve.

Thirdly, under the pre-1984 system, there was no distinction between short and long life assets and thus none of the problems of what we will call depooling were brought into operation by the pre-1984 system. All the assets being in the same pool meant that, for example, in year one, if a company decided not to take the full 100 per cent. of its first year allowance, in year two it could set off any outstanding balance against the proceeds of sale in the same pool of assets.

The purpose of clause 54 is that the company could elect to treat an asset as a short life asset and, provided it is disposed of within the four years after acquisition, the balance of the loss could be set off against taxable profits.

It is right to acknowledge the problem of short life assets, particularly in relation to difficulties arising from obsolete technology. Under the 1984 Budget, prior to the clause 54 change coming into effect, the 25 per cent. could be claimed only in the first year of acquisition, and then 25 per cent. of the writing down allowance was claimed in the recurring years. If, for example, an asset was brought and disposed of in year two and sold at a loss, although that loss arose in year two, 25 per cent. of the writing down allowance has recurred over the years and therefore the loss can be spread only over a period of years.

I wish to put four specific points to the Minister in relation to the way in which the clause operates. It is quite difficult to judge what the precise effects of the clause will be. It is a matter of concern to me that the clause may have hidden problems that have been given inadequate consideration by the Government in introducing it in its present form.

First, I appreciate that any sensible company will have a register of its plant and machinery. In simply identifying a piece of plant and machinery, therefore, the clause is not placing any greater burdens on it in an administrative way. However, the election that will be made under the clause is an election on an individual basis for each item of machinery. Those items of machinery will then have to be shown separately as those that are depooled and treated as short life assets and those that are not. Has any consideration been given to the administrative and accounting problems involved in keeping a proper check to ensure that the assets sold as short life assets are the same assets that were purchased?

Secondly, will the Minister confirm that, if an asset treated as a short life asset is not disposed of within the five-year period, it simply goes back into the ordinary pool of assets? If an asset is not appreciating or certainly if it is depreciating by at least 25 per cent. per year, it would surely be in the interests of any sensible company to treat virtually any asset as a short life asset; because if the company decides not to sell it within the five-year period the asset will simply be treated in the usual way, but if it is sold the company will obtain the benefit of the short life asset provision.

Thirdly, the ability to set the balance against taxable profits arises on the sale of the machinery, not on the purchase as it did under the pre-1984 system. Has any consideration been given to the difficulties of companies in predicting when they are likely to sell? If allowances are given at the time of purchase, capital expenditure decisions are much easier to calculate. The time of sale is more difficult to judge, especially with new technology which may become obsolete at a time which is virtually unpredictable.

Finally, although I am a lawyer by training, I am not used to reading Finance Bills in great detail, and I am uncertain as to the mechanism which triggers the ability to set off the balance against taxable profits within the four-year period after the year of acquisition. What brings into being the ability to claim the benefit of clause 54 on short life assets? Is it the disposal as such, or is it what the clause describes as the discontinuance of the notional trade?

As I understand the clause, once the election is made the asset is treated as part of the notional trade separate from the actual trade and continues to be treated in that way until such time as

"the notional trade is permanently discontinued"

which is

"when the short life asset begins to be used wholly or partly for purposes other than those of the actual trade",

at which point discontinuance arises and the ability to claim under clause 54 ceases. If that is so, could not discontinuance of the notional trade be artificially brought about by the company starting to use the asset wholly or partly for purposes other than those of the actual trade, at which point discontinuance would arise and the triggering mechanism of clause 54 would come into operation? I put that point to the Minister because it is important for the practicality of the clause.

We do not propose to vote against clause. However, detailed consideration of it may show that it creates as many problems as it solves.

Mr. Moore: I commend the hon. Member for Sedgefield (Mr. Blair) for saying that he was not an accountant. As a lawyer he has a far better grasp of the details than I have as a non-lawyer, let alone as an accountant. The hon. Gentleman raised some legitimate detailed points, but he started with some general points. I shall start with the general issues because it is sometimes difficult to find time to discuss them. It will also ensure that my officials advise me accurately about the hon. Gentleman's detailed questions.

1.15 am

The hon. Gentleman was a little unfair to go over the old ground of last year. It would be hard for me to go into great detail about the basic rationale behind the Government's corporation tax changes. The Government considered the investment achievement in the United Kingdom. Most people recognise that in the 100 per cent. first year allowances we probably had the most generous allowances in the Western world. I assume that the presumption would have been that they served one of two purposes—either they produced a greater quantum of investment and or at least as good, if not better, quality of investment. Otherwise why should valuable tax reliefs be given to encourage investment? There were many debates in Committee and on the Floor of the House last year including one about the long-term nature of jobs and

[Mr. Moore]

investments. The basic assumption from the OECD data, as opposed to the Government data, was—I have no figures to confirm the points that I made last year, buy my membory is reasonably good on this—that the overall quantum record was no better, and probably a little worse than the OECD average. Our supposed generosity, therefore, of first year full 100 per cent. allowances did not seem advantageous in that sense.

The second feature of the OECD figures suggested that, when one examined in detail the quality of investment, in all cases our rate of return on investment was below the unit return on capital employed. The country did not seem to benefit from the supposedly generous 100 per cent. first year allowances according to those two basic criteria. I shall explain why in a moment.

Mr. Wainwright: The Minister said that the OECD figures suggested that the British quantum of investment was no better than the other OECD countries, despite our admittedly generous allowances. Could the explanation not be quite different? Could it not be that to overcome the enormous political handicap of the continuous stop-go rhythm in the United Kingdom since the end of the war, British industry had to be given super-incentives to invest, otherwise there would have been no investment?

Mr. Moore: We could debate the matter for a long time. I accept that many other factors are involved. An analyst who looked at the nature of our 100 per cent. first year allowances would have been surprised to find that the two theoretical main advantages that might have flowed from them had not. The analysis that many people drew was that most people were consciously concerned with the post-tax, not the pre-tax, rate of return, that that had changed people's attitude prior to investment, and that to that extent we did not have the quality investment that might have flowed from a commercial analysis of investment potential as opposed to a fiscal or tax analysis. That was the basic pattern behind the very substantive changes. Having said that, we acknowledged, in the debates upstairs, that those were substantive changes in the whole of our system.

I accept that change does not necessarily run in line with the basic concept of pooling, but to the extent to which we saw a specific problem relating to short life assets—the fundamental problem that we think we are tackling in the clause—we have sought to retain the basic advantages in the major system, together with the additional advantages that we offer for de-pooling.

The hon. Member for Sedgefield asked four specific questions, and I am happy to answer them specifically.

First, the companies will keep records and the inspectors will monitor claims.

The hon. Member asked about the blanket election proposals. He is right in the point that he made. The legislation will not prevent traders from making blanket elections, since the choice of which plant is to be treated as a short life asset is deliberately left to them. It is unlikely that they will do so, however, since they would then be at risk of balancing charges which would not arise were the plant to be kept in the main machinery and plant pool. A blanket approach would also require businesses—a point that the hon. Member also recognised—to keep separate records and make separate capital allowance computations for five years for each and every item of their business plant. It is much more likely that businesses will elect selectively so that the new arrangements will apply only to assets which they believe to have shorter than average working lives.

In thinking about how we could best help the business community in this area, our purpose was to try to allow the business community to seek to make their selective decisions themselves. Of course, we shall have to watch the particular point that the hon. Member rightly raised.

There is a clear two-year period for election which I think gives reasonable time, although my hon. Friend the Member for Bristol, North-West (Mr. Stern) has already intervened to question that point. I said that I would consider it with considerable care.

Finally, the disposal will normally trigger the balancing adjustment. There are some protections within the clause. I will look again at the last point that the hon. Member for Sedgefield made, and if I feel that there is any need to deal with it I shall do so before Report.

Question put and agreed to.

Clause 54 ordered to stand part of the Bill.

Schedule 12 agreed to.

To report progress and ask leave to sit again.—*[Mr. Moore.]*

Committee report progress; to sit again today.

PETITION

Transport Bill

1.24 am

Mr. Tony Blair (Sedgefield): It gives me great pleasure to present a petition to this House from Durham county council asking for the rejection of the Transport Bill and any legislation seeking to implement the proposals contained in the White Paper on buses. It gives me great pleasure to associate myself with this petition against a particularly misguided but not untypical piece of legislation from this Government.

To lie upon the Table.

South Manchester Health District

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

1.24 am

Mr. Tony Lloyd (Stretford): The Minister has an advantage tonight because he is accustomed now to late-night Adjournment debates, operating as he does as the Government's rear gunner on such occasions.

It is stated in the Order Paper that I propose to raise the subject of the

"financial position of South Manchester Health District".

There has been a change from what I wrote originally, but I make no complaint about that. I described the debate as one on "The crisis in the South Manchester Health District". Perhaps the Clerks have news that the Minister is about to make a major announcement. The Minister shakes his head, which causes me to revert to my original cynicism. The Government face all crises by refusing to recognise their existence.

There is a real problem of finance in south Manchester. When my right hon. Friend the Member for Manchester, Wythenshawe (Mr. Morris), the hon. Member for Manchester, Withington (Mr. Silvester) and I went with a delegation to meet the Minister for Health, the Minister responded in writing some time afterwards and claimed that there was no evidence of suffering within the south Manchester area. My right hon. Friend has given me a letter from one of his constituents, who was an experienced senior nurse at the Wythenshawe hospital. She was admitted recently to one of that hospital's wards for treatment. She had heard that the Minister for Health had claimed that there was no undue hardship caused by staff shortages in the Wythenshawe chest wards. She wrote:

> "I beg to differ. I saw in one evening shift one sister and two auxilliaries with 29 acute patients in cubicles, not an open ward. Four-hourly treatment had to be done by SRN only."

She referred to a number of examples of things going wrong with patient care. As I have said, she was an experienced nurse. The letter is revealing about the state of play within south Manchester and I am grateful to my right hon. Friend for allowing me access to this piece of information.

Mr. Alfred Morris (Manchester, Wythenshawe): I am grateful to my hon. Friend for quoting my constituent's letter, which I allowed him to see for the purposes of the debate. As my hon. Friend has said, Mrs. Staniforth is a former senior nurse at the Wythenshawe hospital. She was the nursing sister who was in charge of the first cardiac clinic at the hospital. She wrote:

> "I see in the not too distant future a tragedy happening, as staff are human beings and are asked to do the impossible."

That is a voice of long experience to which the Minister must respond tonight.

Mr. Lloyd: In quoting his constituent, my right hon. Friend is entirely accurate about the real position that is facing south Manchester. That position is recognised by the many consultants I have spoken to recently as well as by those involved in the nursing side and in other sectors throughout the health authority. The Minister for Health claimed that south Manchester is better funded than ever before. That might be so in terms of pound notes, and the chairman of the health authority accepts that more money is going into the authority, but the chairman has observed

[Mr. Lloyd]

that in real terms south Manchester has seen a 9 per cent. increase in the number of patients treated and, in effect, a static amount of money going into the services that existed two years ago. There has been growth money for cardiac surgery, for dialysis and for adult leukaemia, but it is not adequate to say that services are getting better when clearly they are not. What the chairman of the North Western regional health authority described as an overspend in south Manchester is more accurately described by the chairman of the South Manchester health authority as a shortfall that has been caused by underfunding.

It was claimed that south Manchester was heading towards a £2·8 million overspend. The region has been required to achieve efficiency savings of well over £500,000. There was no overspend. Salary increments for the staff within south Manchester amount to nearly £1 million. We are saying, in effect, that there is an overspend when the staff in a particular area under a particular authority become more experienced and more skilled and when they remain in post for more years. The salary structure of the NHS requires the staff to be given larger salaries to reflect its experience, skill and service, and that causes overspending. Every authority with a stable work force will therefore overspend eventually. That is nonsense. Of the £2·8 million, less than £500,000 can accurately be described as overspend. To some extent, south Manchester is penalised for its own success. The shortfall has had dramatic results, as the health authority has had to make some extremely unpalatable decisions which some people have described as butchery. Ony the regional chairman has been kind enough to call it a serious cut.

The authority has failed to maintain its property and it has decided, yet again, to cut capital spending and maintenance. That is an insane decision. For how many years can we fail to maintain hospitals? More serious is the decision to cut out 100 skilled and trained nurses, not as a result of rational planning of the nursing load but because they cannot be afforded under the mechanistic rubric put forward by the Government to the region. Another 200 jobs are to go in the service. The authority chairman has said:

"The loss of 100 nursing posts cannot be sustained if the present number of wards remains open. We have, therefore, decided that a number of wards must be combined or closed in order to allow the nurse reduction to take place."

The lunacy is that ward closures are being dictated not by health need but by the need to reduce the number of employees on financial grounds. There is no health logic but a crisis management approach which bears no relation to the needs of people in the area.

I recently discussed this matter with consultants at the chest wards at Wythenshawe hospital. They are extremely angry because they are witnessing the dismantling of what has taken many years to build and because no logic underlies the decisions. They see no lack of demand for their services. Indeed, surrounding districts will not be able to cope with the increased demand once the 30 beds at Wythenshawe have gone.

When the cuts were announced, a spokesman for the authority said that patients from outside the area would no longer be able to come to south Manchester for treatment. The stupidity of it all is that that is not true. My constituency forms part of two other health authorities, and it is clear that doctors in Trafford or central Manchester will continue to refer to south Manchester because there is no mechanism in the NHS by which south Manchester can refuse. That being so, there will be increased waiting lists, and patients from south Manchester will be refused treatment in their own hospital. Indeed, they will be told to refer themselves to other authorities.

With geriatric beds, we are told that the closure is temporary as the beds will eventually be called upon to serve south Trafford. In a recent Adjournment debate, the Minister was at pains to tell the hon. Member for Altrincham and Sale (Sir F. Montgomery) that no decision had been made about south Trafford hospital. One thing is certain—until a decision is made, it would be the height of foolishness to take beds out of operation.

The authority says that the policy is to support patients in the community, for example through the community geriatric nursing team, yet anyone who talks to those who operate in the community—such as the district nurses and community psychiatric nurses—knows very well that although south Manchester has tried to increase those community services, it has not increased them anything like adequately enough to cope with the increase that will come from the closure of those geriatric beds at Withington, and the general demand for community services. The reality is that community services have been under more strain. That is not my view, but the view of virtually every district nurse——

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten) *indicated dissent.*

Mr. Lloyd: The Minister shakes his head, but I invite him to come to south Manchester. He need not listen to me or Members of Parliament representing the area. He should go there instead. He need not listen to the regional chairman or the authority chairman. Let him talk to the consultants, the midwives, the nurses and the district nurses, and ask them whether they think that there has been an increase in community care and in the quality of services within the wards. They will tell him that there has been a deterioration and that they are working under greater pressure in that area, particularly in the community services on which we are now supposed to rely.

We are also told about the temporary closure of 21 surgical beds, and that they may be needed in future to help out in south Trafford. We are told that there will be an increase in the waiting lists because of such decisions and that general practitioners will be sent details saying where patients can be referred, in areas where waiting times are shortest. What a nonsense that GPs will operate on that basis. That concept is totally unknown in the NHS.

In his letter, the chairman of the regional health authority told me that there will be no great impact on patient care, which is a saving grace. Apart from those in the Government, the chairman is the only person who does not think that there will be a serious impact on patient care. He goes on to say:

"Closures and changes of use are of course subject to public consultation."

That is not true. For example, the proposed transfer of the paediatric plastic surgery unit from Withington hospital to the Duchess of York hospital is not open to consultation because it is a transfer and not a closure, yet it is opposed

by every plastic surgeon in that unit. It is no use offering consultation on the closure of the geriatric unit simply because that unit is now closed already, in effect locking the stable door once the horse has gone. The other wards will not close until the end of June, but once again it is meaningless to offer consultation there because there is not sufficient time for adequate consultation. Such a consultation would be bogus and have no impact.

Morale is now very poor in south Manchester. It was poor already at the recent round of talks. Many people have expressed the real fear to me that the amount of cuts being asked for this time round will not be enough to save the £2·8 million. Around October, the authority might have to look for further cuts. The fact that those rumours and fears are abroad means that morale continues to shrink. We are seeing the dissipation of the one thing that makes our Health Service tower above that of many other countries—the great dedication of those working in it. It is desperately important that that is recognised, and that the Minister recognises that I am not simply making a political point; it would be made by all those people.

Therefore, I appeal to the Minister, if he does not believe what I say, to come to south Manchester and talk to those most involved because we have gone beyond the point of the matter being a simple political shuttlecock. We have reached the point where I need to appeal, on behalf of my constituents, to the Minister and the Government to take seriously the impact of the present round of cuts upon that authority.

1.39 am

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): I am glad that the hon. Member for Stretford (Mr. Lloyd) has raised this important question. He has been supported by the right hon. Member for Manchester, Wythenshawe (Mr. Morris) and the hon. Member for Burnley (Mr. Pike). He characterised my role at the end of the parliamentary day as that of a tail gunner, who was the most lonely member of an aircrew during the second world war. Happily, my loneliness is assuaged by the presence of my hon. Friend the Member for Manchester, Withington (Mr. Silvester), who has come to listen to the debate.

Health authority finance is a legitimate and important matter for public debate. The Government are responsible for the way in which the considerable and rising sums of money being spent in the NHS are distributed to different parts of the country. We have difficult decisions to make about the apportionment of funds between the different health authorities. We are ultimately responsible, and I do not dispute the fact that we should be discussing the important points that the hon. Gentleman has made. However, in any organisation as large as the NHS, spending so much money—a record £14·5 billion this year, which is more than 20 per cent. ahead of the rise in prices since 1979 — regional and local determination must play some role. We cannot second guess from the Elephant and Castle every spending decision taken by a regional or district health authority.

However, regional and district health authorities should live within their means and their cash limits. Cash limits are not some new, draconian and Conservative introduction into the running of the NHS. They were rightly part of the last Labour Administration's way of running things. Health authorities must manage within the sums of money that they have, but there is always room for legitimate debate about whether the sums of money are large enough, given the health care needs of the district.

Resources are not limitless, but demands are. The hon. Member for Stretford and I probably agree that the demands on the NHS are almost infinite and that they could grow way beyond the capacity of this or any other country to fund. One of the main reasons for this is the very success of modern medicine, together with the much wider range and scope of treatment that modern medicine can offer.

In south Manchester, about which the hon. Gentleman painted an unnecessarily gloomy picture—although he pointed briefly to one or two sectors where he thought that things were going well—the district health authority is treating many patients who, only a few short years ago, had no hope. That is putting additional pressure on the system, to which the Government have responded by massive investment in the district. While I appreciate the hon. Gentleman's strength of feeling, and his care and concern for his constituents, there is no way in which south Manchester could be described as an area of deprivation and need compared with the rest of the north. It is one of the best funded districts in the whole of northern England.

In the NHS, the process of redistribution of resources to where the patients are is continuing. There is broadly a bipartisan agreement across the Floor of the House on this. We might disagree about the rate and the pace of redistribution, and say that it is going too fast relative to the sums of money in the NHS—those are matters for debate—but most of us realise that it makes common sense to put the money where the patients are. Money should follow patients, beds should be where patients are, and we need to redistribute money between the relatively well off and the poor areas.

That process was started by the Labour Government, and we are aware that the historically deprived—I do not blame any previous Administration for this—north-western region needs our special attention. It is with that in mind that the total additional revenue allocation for the region this year alone is £43 million, which is a 5·5 per cent. increase in the cash available for 1984-85. That is a formidable real increase in revenue.

The north-west's capital allocation is, for the second year running, the second highest in England. The capital moneys are intended to make up the historic deprivation of the north-west, in terms of capital stock. The pressing need to rebuild older hospitals and units has been recognised by this increased capital allocation. The region is moving quickly, under the Government's policies, towards its revenue target, and this financial year it will be only 1·8 per cent. below that target. That compares with a figure of about 11 per cent. below target just six years ago.

Whatever else has happened in the region, vis-à-vis the rest of the country it has been brought pretty close to its revenue target quickly during the past six years.

Mr. Alfred Morris: Will the Minister give way?

Mr. Patten: I do not have much time, and I must reply to the hon. Member for Stretford. I intend no discourtesy to the right hon. Gentleman.

Mr. Morris: My constituency is involved.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. If the Minister does not give way, the right hon. Gentleman knows that he cannot intervene.

Mr. Patten: The right hon. Gentleman knows that I intend no discourtesy. It would be a greater discourtesy if I were unable, because of the lack of time available to me, to reply in full to the points of the hon. Member for Stretford. I shall certainly write to the right hon. Member for Wythenshawe in reply to any points that he wishes to raise.

How has south Manchester benefited from all this? First, it has benefited through the district's development of teaching, which has continued apace. Secondly, during the past two years, nearly £5 million worth of capital spending has occurred in the district, which is a substantial sum. Thirdly, there is a new day unit for the elderly mentally infirm. Fourthly, £1·25 million has been spent on cardiac services and on kidney dialysis and associated renal services, which the hon. Member for Stretford was good enough to mention as improvements in his district. Fifthly, it is an incontrovertible fact that the district is one of the best funded in the region; it is the highest funded per head of population of the north-west's three teaching districts. That is reflected in the fact that, in relation to where it should be according to the calculations of the regional allocation working party, the district is expected to be about 12 per cent. above target this year. That is as far above target as, for example, a deprived district such as Bolton is below target.

I recently visited Bolton, at the invitation of two of my hon. Friends and one Labour Member, to see the problems there. I was with them for some time that day, and I saw the problems of a district such as Bolton, which is so much below target. I shall certainly consider the hon. Gentleman's invitation to pay a similar visit to his constituency.

One of the best yardsticks by which levels of service can be judged is the access to hospital inpatient facilities for bread-and-butter health services. In south Manchester at present, it is considerably easier to obtain hospital treatment quickly than it is in other districts, such as Bolton.

What are south Manchester's problems? We have had a mixture of fact and anecdote from the hon. Member for Stretford. I do not think that anyone can seriously argue that the district is under-funded. I do not agree with the hon. Gentleman. South Manchester's financial problems stem from overspending in previous years and from accumulated overspending. The hon. Member for Stretford referred to my shaking my head in disagreement; I see that he is now shaking his head in disagreement with me. We shall have to disagree. The district is facing accumulated overspending of £2·8 million. It would be surprising if a component of that overspending were not attributable to the cost of staff. The cost of staff in the NHS accounts for more than 70 per cent. of total revenue expenditure. Of course, staff costs will always be part of that overspending.

The district is facing this accumulated deficit. We cannot simply wipe the slate clean. How would we explain that to patients in Wigan, Bolton and other deprived districts in the north-west? I have to speak for them as well. All Governments, including Labour, have required health authorities to live within their budgets. This Government's intention is to continue to ask them to do so.

The health authority, under its excellent chairman, Sir John Page, is working the district trying to find ways of reducing the accumulated overspend while continuing to provide the current excellent service. Until that is achieved, it will put in jeopardy all the progress that south Manchester has made, undermining the foundations of the district's development in the future as a centre of life-saving surgery.

South Manchester is certainly a responsible health authority. It has set a budget for 1985-86 which it thinks can be contained within its cash limits. It is considering making a number of service changes to make all that possible. The regional health authority has agreed to some of those changes and has asked for others to be re-examined. All this consultation is a critical part of the process. The hon. Member for Stretford is not being fair to the way in which the consultation process is carried out. If he really feels that consultation is not being carried out according to the rules, it is important that he should write to me or to my right hon. and learned Friend the Minister for Health to point out exactly where and how the procedures are not being followed.

Mr. Tony Lloyd: Once a ward is closed—as with the geriatric ward at Withington hospital — what meaningful purpose can consultation have, even if it is carried out with the best will in the world? We all know that it will not reopen the ward.

Mr. Patten: It is not always the case that wards closed under the emergency procedures are thereafter closed permanently. There are a number of examples where wards have been closed temporarily by health authorities pending the consultation process. After consultation, because of the view of the health authority or of the Minister to whom the matter has gone on appeal, the decision has gone the other way and the wards have been reopened. The consultation process is extremely important, and I hope that people will take part in it wholeheartedly, where there have been short-term or temporary closures.

A number of changes in the district will be beneficial to patient care. Some of the suggested changes will mean, if approved by the region and followed by the district health authority, that people will receive treatment much closer to home. If people receive closer to their homes the care that they need, this is a change for the better. Neither my right hon. and learned Friend the Minister for Health nor myself approves the wholesale shipping of patients over substantial distances when they can be treated closer to their homes.

There are a number of beneficial effects in the proposals. The district treats a high proportion of elderly patients in hospital — much higher than the national average. I do not think that that accords necessarily with good, modern practice. It is sensible that the district wants to shift resources to treat those who do not genuinely need to be in hospital. I do not think that community care is a cheap option or that the transfer from hospital to community care is an easy transfer to make. We are living in a period of change, and community services are adopting and adapting practices. Of course, there will be problems in south Manchester, as in other areas of the country—

The Question having been proposed after Ten o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned accordingly at six minutes to Two o'clock.

House of Commons

Wednesday 8 May 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

ROYAL HOLLOWAY AND BEDFORD NEW COLLEGE BILL
[Lords] (By Order)
Order for Second Reading read.
To be read a Second time tomorrow.

GLENSANDA HARBOUR ORDER CONFIRMATION BILL
Read the Third time, and passed.

Oral Answers to Questions

ENVIRONMENT

Urban Programme Project

1. **Mr. Cohen** asked the Secretary of State for the Environment what are Her Majesty's Government's intentions in respect of funds which will be made available for urban programme projects.

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): Details of planned expenditure and priorities for the urban programme are given in "The Government's Expenditure Plans 1985-86 to 1987-88" (Cmnd. 9428-II pages 118-121). This year £338 million has been allocated to help foster enterprise, improve the environment and tackle social problems. These resources are used in accordance with ministerial guidelines, a restatement of which, together with details of my Department's initiative to strengthen the management of the urban programme, has been placed in the Library of the House.

Mr. Cohen: The Minister is aware that many valuable urban programme projects and children's holiday and play schemes in my constituency, Leyton, have been rejected by his Department. Are not many self-help community groups suffering because the Government are not providing sufficient funds for the urban programme? In view of the effect upon voluntary organisations of the proposed abolition of the Greater London council, should not the Minister be entering into a positive commitment to a major expansion of the urban programme?

Sir George Young: The urban programme is a popular programme which is always over-subscribed. Before the hon. Gentleman takes this Government to task for their attitude towards Waltham Forest, he may care to reflect that in 1984-85 we shall be making roughly £183,500 available under the traditional urban programme, compared with about £76,000 in 1979. There has, therefore, been a real increase in the resources that this Government have made available to Waltham Forest under the urban programme. As for abolition, the Government have made it quite clear that there is no reason why worthwhile projects should suffer after the abolition of the GLC.

Mr. Ashby: Does my hon. Friend not agree that perhaps the most valuable urban aid that is provided is for the clean-up programmes in areas of decline? Does he not agree that the programme that has been financed by the Government in my constituency, Leicestershire, North-West, is valuable and should be extended for another two years?

Sir George Young: We are always pleased to learn that money spent under the urban programme has been gratefully received by the local hon. Member. Environmental improvement is one of the objectives of the urban programme and we hope to maintain the initiative that has recently been launched in Leicester.

Mr. Allan Roberts: Is the Minister aware that many local authorities would not have had impossible targets to meet or would not have had to be rate capped if they had not had to incorporate under their own expenditure headings time-expired schemes which were originally funded by the urban programme? Was that not the case last year with Liverpool, and is it not the case this year with many rate-capped authorities? Will the Minister refund many of these programmes?

Sir George Young: The hon. Gentleman may unwittingly have led people to believe that Liverpool city council is rate-capped. It is not. It has always been a feature of the urban programme that it pump primes worthwhile projects on the basis that local authorities will take them over at the end of four or five yars. That has always been the basis upon which the urban programme has been planned.

Mr. Brandon-Bravo: My hon. Friend will agree that the previous Labour Government and this Government have reduced the rate support grant, but is it not also true that specific grants in the urban programme have given many cities more rather than less money than used to be the case under the old purely rate support grant system?

Sir George Young: My hon. Friend is right to draw attention to the worthwhile increase in the value of the urban programme. In 1978-79 the urban programme spent £93 million and in the current year, £338 million. That is a worthwhile increase in resources to our inner cities.

Mr. Simon Hughes: What is the skeleton in the Government's cupboard that leads them to command an internal report on the future of the urban programme and then not publish it? What does that report say? Does it say that there will be a further cut in the urban programme, or does it say, as it should, that there should be a substantial extension and improvement? Can it be made public? That is really the question.

Sir George Young: That was an internal review of the urban programme. It has been reviewed more often than almost any other item of Government expenditure, and it has always emerged from such reviews with credit. We plan to spend in cash terms this year roughly the same as the cash outturn for last year. The fact that we have

managed to safeguard the urban programme over the past six years at a time when, for good reasons, reductions have been made in public expenditure, is a reflection of the priority that we attach to dealing with the problems of the inner cities.

Mr. Barnett: In allocating funds to specific projects, to what degree has the Minister followed the order of priorities set by the local authority which put those projects before him?

Sir George Young: Ministers usually honour the priorities that are set by local authorities. We recognise that they are in touch with the position to an extent that Ministers cannot be. Having said that, we have made our overall priorities for the urban programme clear in terms of the balance between economic, social and environmental projects, and in order to secure that national balance we occasionally have to re-order the priorities of individual local authorities.

Mr. Holt: When will my hon. Friend review the urban programme to embrace those void areas which are currently covered by the urban programme, not by the rural programme? Towns such as Lofthouse and Skelton in my constituency are in grave need of some urban or rural renewal, or renewal of whatever type my hon. Friend would like to give them, in order to improve the environment, yet they are excluded. When will the Government take action on that?

Sir George Young: I understand my hon. Friend's concern that his constituency should have access to as much money as possible. In due course we shall be reviewing the designation of districts under the urban programme, and I have noted my hon. Friend's bid.

Mr. John Fraser: Will the Minister recognise the contradiction that out of nine partnership authorities last year, six were penalised, and in two authorities, for about every £2 paid in inner city partnership grants £3 was taken away in penalties? Will the Minister accede to the request of the Association of Metropolitan Authorities and disregard for penalty purposes the contribution that local authorities make towards inner city partnership programmes?

Sir George Young: As the hon. Gentleman knows, the Government have to consider any application for disregard that is made by local authorities. If such an application is made, it will be considered, but there is no reason to exempt local authorities in the inner city areas from the search for economy and efficiency which the Government expect all local authorities to try to make.

High Technology Site, Bickenhill

2. **Mr. Iain Mills** asked the Secretary of State for the Environment if he will make it his policy to reject any planning appeals, involving the proposed high technology site in Bickenhill, until the Marston Green and Bickenhill district plan is determined.

The Parliamentary Under-Secretary of State for the Environment (Mr. Nell Macfarlane): No, Sir. The draft status of a local plan is not in itself a reason for the rejection of planning appeals. My right hon. Friend the Secretary of State will consider any such appeals on their merits.

Mr. Mills: Does my hon. Friend realise that his answer will give rise to great concern among my constituents, who consider the pace of applications for that small 140-acre site of green belt, if not illegal, certainly immoral? Is he aware of the legitimate interest of the national exhibition centre in considering development in the area—a most important asset for Birmingham? Will he consider waiting for the determination of the structure plan and the Marston Green and Bickenhill district plan before allowing those applications to proceed?

Mr. Macfarlane: I note my hon. Friend's comments, and I am well aware of the strength of local feeling in his and neighbouring constituencies which are concerned about development. He has led delegations and has made his views well known on his constituents' behalf. There is a presumption against development in the green belts. Such development will be permitted only in exceptional circumstances. We have to take many steps over the next few weeks. I made it clear earlier this year that the proposal, with careful and sensitive planning, will be economically beneficial to the region as a whole, without being prejudicial to the objectives of green belt policy.

Mr. John Mark Taylor: Is my hon. Friend aware of the wider anxiety in Solihull about the pace of change and scale of development? Is he aware of the suspicion that the inner urban areas might have a greater need for the resources involved?

Mr. Macfarlane: I am well aware of that. All such issues are taken into account before my right hon. Friend reaches a decision.

Mr. Campbell-Savours: Is the Minister aware that many of us cannot afford to turn down high technology parks? If the Minister has any trouble allocating such parks, why does he not just send them north, because we shall welcome them at any time? Is the Minister aware that my constituency has the space for a high technology park?

Mr. Macfarlane: I note what the hon. Gentleman says.

Rating

3. **Mr. Evans** asked the Secretary of State for the Environment what recent representations he has received advocating the abolition of the present rating system.

7. **Mr. Knox** asked the Secretary of State for the Environment what recent representations he has received on the reform of the rating system.

8. **Mr. Heddle** asked the Secretary of State for the Environment what representations he has recently received on the reform of the rating system.

19. **Mr. Cartwright** asked the Secretary of State for the Environment how many representations he has received on the reform of local government finance since 10 October 1984.

The Secretary of State for the Environment (Mr. Patrick Jenkin): We continue to receive many representations advocating abolition or reform of the rating system.

Mr. Evans: Will the Secretary of State confirm that he has received representations from some highly placed persons in the Conservative party making the absurd

suggestion that the present rating system should be replaced by a poll tax? Will he make it clear to those highly placed persons that, apart from the astronomical cost of collecting and policing a poll tax, the British people will decimate any political party that seeks to impose a tax on the right to vote?

Mr. Jenkin: I have read a number of imaginative press pieces about the studies that I announced last October. I can assure the hon. Gentleman that in our studies of the local government finance system we are examining alternative methods of raising revenue locally and that all options are open.

Mr. Knox: In view of the difficulty of finding a satisfactory alternative to the present rating system, is not the most sensible step to transfer the cost of teachers' salaries from the rates to central Government?

Mr. Jenkin: Many of the complaints which Ministers face at the Dispatch Box are about the increasing centralisation of control to Whitehall. It would be a major act of centralisation if the Department of Education and Science took over the payment of teachers' salaries or, indeed, any other part of the education budget which is currently borne by local authorities.

Mr. Heddle: Will my right hon. Friend confirm that the Government, unlike the Liberal party, do not intend to impose the rates burden upon agricultural land, but that they intend to relieve the commercial and industrial ratepayer of the pernicious burden of vindictive and profligate Labour-controlled local authorities, by fixing the commercial rate centrally? Does my right hon. Friend agree that an element of a poll tax, without safeguards, is regressive in some respects and involves the practical difficulty of updating the electoral register twice a year?

Mr. Jenkin: I note carefully what my hon. Friend has said. Agriculture has been exempt from rating since the 1920s and we have no plans to bring it back into the rating system.

Mr. Cartwright: Does the Secretary of State accept that the injustices of the rating system are made worse because in Engand and Wales it is based on valuations that are 12 years out of date? Does the right hon. Gentleman recall that he made commitments to take urgent action on revaluation as long ago as August 1983? In view of the Government's unhappy experience in Scotland, do they still intend to continue with revaluation, or will they be looking for a much fairer system, such as local income tax?

Mr. Jenkin: I am aware of what the hon. Gentleman mentioned. The Government now take the view that there cannot be a revaluation in England and Wales without a reform of the system.

Mr. Fatchett: Are not the present problems with the rating system directly attributable to the massive cuts in rate support grant? Will we not find it impossible to come up with a fair system until the Government carry their responsibility and restore to local authorities the money that they have cut during the past six years and restore the level of support given by the last Labour Government in 1978-79?

Mr. Jenkin: It is interesting that the hon. Gentleman chose that date, because he knows perfectly well that the last Labour Government reduced the proportion of expenditure by central Government from the level that it reached in 1976.

There is no preordained right for local authorities to have certain parts of their expenditure met by central Government. At the heart of the studies being undertaken by my hon. Friends is the restoration of full accountability by local authorities to those who pay for them and elect them. We are currently engaged in doing that.

Mr. Boyes: Does the Secretary of State recall that in 1982 the Select Committee on the Environment said that a poll tax should not be introduced under 'any circumstances? Therefore the right hon. Gentleman's reply to my hon. Friend the Member for St. Helens, North (Mr. Evans) was disappointing. Is it not clear that a poll tax is undemocratic because the flat rate could be set at a level which the poor and the unemployed could not afford, and that they therefore would not bother registering to vote? The people who support the right hon. Gentleman's party—the wealthy—could afford it and thus use their votes against the Labour party.

Mr. Jenkin: At every election which the Conservative party has won, it has had considerably more votes from those on the lower end of the scale than from those on the higher end——

Mr. Straw: There are more of them.

Mr. Jenkin: That is quite right.

On the question of raising revenue to finance local authority expenditure, the hon. Gentleman should recognise that it is an unsatisfactory system because in many parts of the country very few people pay towards the cost of local services, while so many enjoy them. It is that imbalance which seems wrong to us, and which any reform must right.

Mr. Mark Carlisle: Is not the real problem with rates the fact that they are too high? Is that not at least partly because we are trying to finance too much public expenditure from rates? If that is so, rather than looking for alternative methods of raising local finance, would not the right answer be that suggested by my hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox)—to consider transferring education expenditure, or at least expenditure on teachers' salaries, from local government to central Government?

Mr. Jenkin: I understand my right hon. and learned Friend's case, but what is wrong is that a tax that is property-based should now bear so much expenditure that is not property-related. There needs to be a wider tax base if local authorities are to be accountable to their local ratepayers. I do not believe that the answer to the problem is simply to centralise more spending in the Exchequer.

Dr. Cunningham: Are we to believe that local government finance is to suffer yet another fundamental change, decided in secret without proper public evidence and debate? Does the Secretary of State recall the recently published words of the Controller and Auditor General, who said that rates

"increases can therefore be attributed more to the reduction in the proportion of Government grant than to increases in local authority spending; and unless and until the level of central Government support is stabilised again it will be difficult for local electors to distinguish how far changes in rates should be attributed to the actions of the local authorities themselves."

Are we now to accept that the Government, having taxed water, energy and health, are about to tax votes also? Is that the prospect that the right hon. Gentleman is offering to the House? Does he not realise that the electors could fill a warehouse with broken Tory promises on rates?

Mr. Jenkin: The hon. Gentleman posed one serious query at the beginning of that supplementary question when he asked whether there was to be another fundamental review of local government finance.

Dr. Cunningham: In secret.

Mr. Jenkin: I shall come to that. There is widespread recognition of the need for a reform of local government finance. I hope the hon. Gentleman welcomes the fact that the studies that will lead to that are well under way. We shall publish our proposals in the form of a consultative paper and there will be ample opportunity for all those interested to put forward their views before there is any question of legislation being introduced.

4. **Mr. Winnick** asked the Secretary of State for the Environment when he now expects to be in a position to announce the outcome of the Government's review of the rating system.

Mr. Patrick Jenkin: I hope to be able to do so later this year.

Mr. Winnick: Considering the present defects in the rating system, is it not clear that the imposition of a poll tax would make the system far worse and would, in particular, penalise those on average and small incomes? Is it really proposed to have a poll tax in addition to the rating system? We appreciate that the Secretary of State is under great pressure from the Prime Minister. Will he inform her that the last occasion when a poll tax was introduced in this country led to the uprising of 1381? Is that not a good enough warning?

Mr. Jenkin: I was not about then. The concern in the country is very widespread because in recent years, often for the best of motives, a considerable gap has opened up between those who pay, those who receive and those who vote. That gap lies at the heart of the lack of accountability of local authorities to those who pay the bills and is greatly colouring the studies that we have undertaken. I ask the hon. Gentleman to await the outcome of those studies before jumping to conclusions.

Mr. Maude: Before my right hon. Friend announces the outcome of the review, will he bear in mind the crucial importance of ensuring that the cost of providing local services falls on all local people and that there should be no exemptions from and rebates of what I hope will be a residents charge introduced to replace rates?

Mr. Jenkin: I take note of my hon. Friend's views.

Mr. Freeson: Instead of undertaking another secretive review, why will the Government not just republish the Layfield report and make some conclusions based on that? Is it not a fact that a poll tax would need so many qualifications and exemptions that it would end up, as the Select Committee said in 1982, as a crude kind of local income tax, and that it would be far better to go fully down that road and introduce a properly worked out local income tax system?

Mr. Jenkin: The right hon. Gentleman's points are considerations which the Government are taking into account in the studies which we are undertaking. However, it must be recognised that there is widespread concern that many of those who benefit from local authority services contribute little or nothing towards them. That has undermined the principle of accountability in many areas, and we must address our minds to that.

Mr. Tracey: In conducting the review, will my right hon. Friend give proper weight to the views of business and industry in Britain, because that is where much of the rating burden falls? Will he take on board the views of the Institute of Directors, as a recent sample by the institute revealed wide support for a poll tax?

Mr. Jenkin: Nationally, over 60 per cent. of the revenue raised by local authorities comes from non-domestic ratepayers, two thirds of it from industry and commerce. In some areas the figure is significantly higher. That is another point which leads to a weakness in the accountability of local authorities to their ratepayers. Part of the studies that we are undertaking will consider ways of dealing with that problem.

Mr. Simon Hughes: Given the controversial nature of any report that results from this review, can the Secretary of State say whether the Government intend to put the proposals of himself and his colleagues to the country in the next election manifesto or whether they intend to legislate before then on a reform of the rating system?

Mr. Jenkin: We leave both options open.

Mr. Heathcoat-Amory: Although all options are still open, will my right hon. Friend be cautious about further raising public expectations about a poll tax, which is less attractive the closer it is studied? Although the system needs to be radically reformed, does my right hon. Friend agree that this would not be best done by inventing further forms of taxation?

Mr. Jenkin: If reform were easy and painless, it would have been done years ago. Because of the widespread feeling that doing nothing is no longer an option, we need to examine all the possibilities to maintain and improve the system of local government finance in order to strengthen the health of local government as a whole.

Mr. Hardy: Has the Secretary of State studied the recommendations and conclusions of the Layfield report? Does he accept that the major change that has taken place since the Layfield report was published is that the share of local expenditure met by the Government has fallen dramatically? Does the right hon. Gentleman accept that this is the major cause of the widespread concern to which he referred?

Mr. Jenkin: I do not necessarily accept that, because many authorities have been able to cope with a reduction in the percentage of grant by imposing modest rate increases because they have been able to find economies and make savings. The Layfield inquiry was conducted eight years ago, and events have moved on substantially since then. I hope that the hon. Gentleman does not think it wrong for the Government to take a fresh look at the problem. The Layfield analysis is part of the evidence on which my hon. Friends are basing their studies.

Mr. Squire: I congratulate my right hon. Friend on achieving two out of three marks for discussions on public reports to date. Will he note that many of us support the transfer of non-domestic rate to the centre but recognise,

as the Government appear to do, the need to create funding in addition to the present rating system? May I echo the point made by my hon. Friend the Member for Mid-Staffordshire (Mr. Heddle). The single central failing of a poll tax is that it cannot command the broad support which a fundamental reform of the rating system must have if it is to be introduced.

Mr. Jenkin: I note my hon. Friend's view. During our studies, all the options are being studied carefully. We shall come forward with our proposals in due course.

Mr. Tony Banks: Is not the Secretary of State getting rather fed up with being dropped in it from a great height by the Prime Minister over rating and the abolition of the GLC? Perhaps the right hon. Gentleman would like to tell us something about what happened in the other place yesterday. If the right hon. Gentleman is considering levying a poll tax, is he also considering making registration compulsory?

Mr. Jenkin: What happened yesterday in another place is not a matter that arises from this question. Obviously, if there is to be a reform of taxation, there must inevitably be laws to ensure that those liable to pay taxation do so. I do not think that the hon. Gentleman would expect it to be otherwise.

Mr. Colvin: May we take it that the Government are firmly committed to replacing not only domestic but commercial rates? Will my right hon. Friend confirm that an overriding principle of any alternative system would be the ability of those to be taxed to pay?

Mr. Jenkin: Our studies embrace the entire system of local government finance, not only revenue raising, but the relationships between central and local government. I am sure my hon. Friend will agree that it would be wrong at this stage of these studies to rule out any of the options.

Dr. Cunningham: If the right hon. Gentleman wants to reform local finance, why does he not begin by abandoning the iniquitous system of targets and penalties which he and his predecessors have so unfairly enforced? Can the right hon. Gentleman name one country with a plural democratic society which actually uses a poll tax to raise local government finance? Does the right hon. Gentleman not recognise that the whole idea of taxing registrations to vote is abhorrent in a democratic society? May I tell the right hon. Gentleman and the House unequivocally that, if any such system were introduced, it would be abolished by the next Labour Government.

Mr. Jenkin: It is, I fear, typical of the Labour party that it promises to abolish things before it knows what they are. When one thinks of all the other things that it has promised—abolishing tax relief on mortgage payments, and putting capital gains tax on those who sell council houses—I am not surprised that the hon. Gentleman is becoming confused.

Leicester (Rate Capping)

5. **Mr. Janner** asked the Secretary of State for the Environment how many representations he has so far received from citizens of Leicester concerning the rate capping of Leicester city council.

The Minister for Local Government (Mr. Kenneth Baker): My right hon. Friend has received about 75 representations about the rate capping of Leicester city council from Leicester citizens.

Mr. Janner: Has the Minister also received this morning 26,000 further representations in a petition presented to his Department on behalf of the citizens of Leicester, most of whom helped to ensure that last week all Labour candidates in the city increased their majorities and votes? Does he not recognise that central Government interference in the affairs of the city is a direct denial of local democracy and is disliked by citizens, however they would normally vote?

Mr. Baker: It is highly unlikely that the citizens of Leicester dislike rate capping, because Leicester's rate has been cut by one third as a direct result. Last year Leicester received some £9·7 million of block grant. As a direct result of rate capping it will receive £12 million this year. In addition, its urban programme allocation, which I have approved, is £5·4 million this year.

Mr. Peter Bruinvels: Will my right hon. Friend take not the slightest notice of the petitions, which were phoney and deliberately whipped up by the scaremongering tactics and campaign of the Leicester Labour party, which spent £61,000 last year on an anti-rate capping campaign and which to date has allowed £150,000 for an anti-rate capping campaign? Does he accept that in Leicester people want to be rate capped and that the Conservative vote, in fact, held up?

Mr. Baker: I thank my hon. Friend for his support. I am sure that the citizens of Leicester object to the use of ratepayers' money for political propaganda because of the way that it has been manipulated. On rate capping in general, I was glad to see that last night Sheffield city council at last faced reality and, against the advice of its leader, set a rate within the limit set by the House—[HON. MEMBERS: "Order."] — and rejected a deficit budget. I only hope that the remaining——

Mr. Speaker: Order. The question was about Leicester.

Hon. Members: Hear, hear.

Watts Committee (Water Metering)

6. **Mr. Freeman** asked the Secretary of State for the Environment when he received the report of the Watts committee on domestic water metering; and if he will make a statement.

The Minister for Housing and Construction (Mr. Ian Gow): I hope to receive the report before the end of next month. Thereafter I will make a statement. I have read my hon. Friend's pamphlet "A fair deal for water" which is an excellent contribution to the debate.

Mr. Freeman: Is my hon. Friend aware that the cause of metering will be greatly served by the privatisation of water authorities, and that there is widespread support for that move on the Conservative Benches? In the meantime, will he encourage water authorities to introduce more extensive metering trials?

Mr. Gow: On the second part of my hon. Friend's question, he will be aware that at present all water authorities offer the option of metering to all their

customers. With regard to the first part of his question, he will be aware that the Government are examining the possibility of the privatisation of the water authorities and, under the lead of the Watts committee, the possibility of wider water metering.

Mr. O'Brien: Before the Minister makes any statement on the wholesale metering of water throughout the country, will he have regard to the fact that there are few democratically elected members on water authorities? Will he ensure that the water authorities are more democratic before he makes such a statement?

Mr. Gow: We have more streamlined and efficient water authorities today than ever before. On the issue of metering, I commend to the hon. Member the pamphlet of my hon. Friend the Member for Kettering (Mr. Freeman), which, priced at £1·25, is extremely good value and a great deal better than the pamphlet written by the hon. Member for Islington, South and Finsbury (Mr. Smith), who advocated that the gain someone makes on his house should be subject to tax.

Mr. Nicholls: Will my hon. Friend accept, since in the way that the system operates at present there is no advantage in going for metering if one is on an average sort of rate, that there is a great deal of resentment, especially among single householders and the elderly, who get no concession or recognition for the fact that they use the service very little and are charged precisely the same as those who use it a great deal? Will he ensure that that vice is taken out of the system?

Mr. Gow: My hon. Friend is right. There is a widespread view that the present system of charging on the basis of rateable value is not fair. This has been considered in the past, but we are looking at it again. We shall certainly bear in mind the point that my hon. Friend rightly makes.

Mr. Rooker: The Minister applauds the pamphlet of his hon. Friend the Member for Kettering (Mr. Freeman). Does he agree with his hon. Friend when he rules out a poll tax on water? Does he further agree with his hon. Friend's assertion in the pamphlet that the price mechanism ought to be the overriding factor in consumer demand? Is this what the Prime Minister really means by a classless society, when there is a differential on the use of water according to ability to pay?

Mr. Gow: The hon. Gentleman is creating a certain amount of advance and synthetic indignation about this. I was commending to the House, and, indeed, Mr. Speaker, I commend to you, the excellent pamphlet written by my hon. Friend the Member for Kettering (Mr. Freeman). [HON. MEMBERS: "Has the hon. Gentleman read it?"] Of course I have read it. Courtesy among colleagues is something not widely understood by Opposition Members. My hon. Friend was kind enough to send me an advance copy, as he will confirm, and I am grateful to him. I hope that today's exchanges will mean that the pamphlet is read even more widely. I hope that the Conservative Political Centre, which published it, will receive some more funds for its needs in the future.

Olympic Games

9. **Mr. Pendry** asked the Secretary of State for the Environment if he has received any recent application from United Kingdom cities wishing to host future Olympic Games.

Mr. Macfarlane: No, Sir. It is for the British Olympic Association to consider applications from United Kingdom cities wishing to host the games.

Mr. Pendry: While recognising that this is principally a matter for the British Olympic Association, but recognising equally that three cities are bidding for the 1992 Olympic Games, may I ask the hon. Gentleman to say that if the British Olympic Association considers one of those applicants worthy he will today commit not only moral but financial support to that city so that it can meet the high Olympic standards?

Mr. Macfarlane: It is premature to anticipate any such argument. The British Olympic Association has many issues to consider over the next few months. Technically, it has until August to decide whether to sponsor a host city when it goes to the IOC later this summer.

Mr. Dickens: Is it not a fact that when the Olympic Games were last held in the United Kingdom, at Wembley, they created many jobs, with the rebuilding of Wembley Park station, the railway bridge, Olympia Way to Wembley, and so on? Is it not right that, when we have a city such as Manchester, which has much open land and space left by declining industries such as the textile industry, we should replace those jobs by petitioning the British Olympic Association to place the Olympic Games in the United Kingdom in Manchester?

Mr. Macfarlane: I am sure that the chairman of the British Olympic Association, by this time tomorrow, will be fully aware of the force of my hon. Friend's argument.

Mr. Meadowcroft: Is the Minister aware of the great success of the national railway museum at York and the national museum of photography at Bradford? Is it not a peculiar form of arrogance to believe that any national facility must be based in London? Will he support the application to stage the Olympic Games in the north of England rather than automatically assuming that a national facility be sited in London?

Mr. Macfarlane: While I would be the first to applaud some of those centres, I certainly do not consider that the latter part of the hon. Gentleman's argument is an assumption which anybody else would follow.

Mr. Forth: Will my hon. Friend give an undertaking that, while the Government will do everything to encourage the Olympic Games to come to the United Kingdom, there will be no need for taxpayers' money to be used for this purpose, following the excellent example of the United States Los Angeles Games, which actually made a profit?

Mr. Macfarlane: While applauding the latter part of my hon. Friend's philosophy, I must point out that it is up to the British Olympic Association to decide whether to put this forward to the next IOC.

Mr. Ewing: Will the Minister not be so dismissive of the idea of attracting the 1992 Olympics to the United Kingdom? As taxpayers' money was required to attract the

1966 World Cup, does he accept that we shall certainly require some taxpayers' money to attract the 1992 Olympics? To avoid this inter-city competition, will the Minister learn from the experience of the Los Angeles Olympics, where some of the events were held 500 and 600 miles from the main centre, and choose a collection of cities, two of which should be in Scotland — Edinburgh and Glasgow — in which to stage the Olympics?

Mr. Macfarlane: I must point out that I do not accept the opening part of the hon. Gentleman's philosophy. There are many ways in which funds can be raised. I do not accept that the Olympic Games should be held at the taxpayers' expense. In Los Angeles, the matches were staged not 500 or 600 miles apart, but no more than 200 miles from the centre of the city.

Mr. Corbyn: Does the Minister agree that if an application made by London for the 1992 Olympic Games were accepted, and if Government plans were carried out, London would be the only city contending for the Olympics which had no unitary local authority to respond to such a decision and to ensure that the games were properly administered and run?

Mr. Macfarlane: The last time the games were held in this country they were held in London, and they were bid for by the Lord Mayor of London.

Mr. Maclean: Will my hon. Friend suggest to the Olympic committee that it inaugurates a new competition and prize for hon. Members wanting the most taxpayers' money to take the games to their constituencies?

Mr. Macfarlane: I take note of what my hon. Friend says. I am certain that the British Olympic Association will take note of all the points made today.

Mr. Denis Howell: Does the Minister appreciate that the bid for the Olympics will be taken seriously only if it is proved to to be financially feasible? Therefore, when the choice is being made by the British Olympic Association, will the Minister please make an assessment of the cost involved—both the private cost for running the games and the public cost for the infrastructure? Does he understand that unless that is done, the entire matter will be regarded as a charade?

Mr. Macfarlane: Unlike the right hon. Gentleman, I have every confidence in the BOC. It is perfectly capable of making feasibility studies in conjunction with the cities.

Textile Closure Areas (Aid)

10. **Mr. Galley** asked the Secretary of State for the Environment how much European regional development fund non-quota aid for textile closure areas available for infrastructure investment has been spent so far; and how much he anticipates will be spent in 1985-86.

Mr. Kenneth Baker: The proposals for £60 million worth of aid during the next five years were approved by the Commission in January. My Department is responsible for £21 million of that, and we are still examining the applications made by various qualifying authorities.

Mr. Galley: Does my right hon. Friend agree that it would be a shocking waste if that £21 million were lost to the textile closure areas? Will he undertake to monitor the position in conjunction with the local authorities involved to ensure that that money is spent sensibly and fully within the four-year period?

Mr. Baker: I fully support what my hon. Friend has said, and I am sure that it meets with agreement on both sides of the House. It would be helpful for some textile areas where the textile industry is rundown to apply for this aid, which is primarily used for the conversion of old textile mills into smaller units for enterprise workshops and so on.

Mr. Wainwright: Is the Minister aware that almost a year of the time allotted by the European Community for spending this money has past fruitlessly? Where local authority schemes are produced in textile closure areas, will he undertake that the use of the EC money will not be frustrated by his rate capping or other limitations on local authority spending?

Mr. Baker: In reply to the hon. Gentleman's first point, the Commission approved the money only in January 1985, and we saw the applications in February, March and April. I assure him that we are processing them as quickly as we can.

Mrs. Kellett-Bowman: Will my right hon. Friend accept that some excellent schemes have been put forward in the north-west, not least by my city of Lancaster? Does he appreciate that it is extremely important to get the money on the ground as early as possible? We want to beat unemployment now.

Mr. Baker: I entirely agree with my hon. Friend. I cannot comment on individual schemes, as we are still assessing them in the Department. I accept the pressures from both sides of the House to get on with the matter and approve the schemes.

Mr. Straw: Is the Minister aware that the Silberston report has predicted that even if the multi-fibre arrangement is approved, a further 156,000 jobs could be lost in the textile areas during the next five years? Does he accept that, against that background, the expenditure of only £60 million to meet the social and economic consequences of closures is peanuts? What efforts is the Minister making to increase the resources available to those hard-pressed areas?

Mr. Baker: I cannot comment on the outcome of the MFA discussions and the possible continuation of the scheme, because that is the responsibility of another Department. However, I accept entirely what the hon. Gentleman said. There has been a rundown in the industry. This contribution will help. Other schemes in the urban programme help his constituency and others across the country, and, of course, the Department of Trade and Industry has some programmes.

Nature Conservancy Council

11. **Mr. Kirkwood** asked the Secretary of State for the Environment whether he has any plans to extend the funding of the Nature Conservancy Council.

The Parliamentary Under-Secretary of State for the Environment (Mr. William Waldegrave): The NCC's grant-in-aid has been increased from £18·1 million in 1984-85 to £22·7 million in 1985-86. Requirements for future years will be considered in the light of the NCC's corporate plan.

Mr. Kirkwood: Those increases are welcome so far as they go, but if it becomes clear that the NCC is unable to complete the renotification of sites of special scientific interest by the end of calendar year 1986, will the Minister consider providing extra funds for that? Does he accept that the new responsibilities visited on the council after 1 April this year, in terms of the farms structure and regulations that encourage farmers to leave intensive farming, have put an additional burden on the NCC? If that proves to be a problem, will he produce extra finance to enable that programme to proceed smoothly?

Mr. Waldegrave: I am grateful for the hon. Gentleman's support. We increased the Nature Conservancy Council's funding by 36 per cent. between 1983-84 and 1984-85, and by 25 per cent. in the next year. I am happy to be able to tell him that the NCC recently confirmed that it could bring forward the substantial completion of the SSSI programme from 1987 to the end of 1986, which is a satisfactory outcome in response to the additional money that it has received.

Mr. Kenneth Carlisle: Does my hon. Friend accept that the Government deserve credit for increasing the funds of the NCC so substantially? However, does he also accept that the NCC now has the capacity to deal with the vexed problem of marine nature reserves? Does he agree that we must set up the first marine nature reserve without delay, and that, if we wish the voluntary principle to survive, we have no excuse for failing to do so?

Mr. Waldegrave: I entirely agree with my hon. Friend's remarks. During our debates on the Bill of the hon. Member for South Shields (Dr. Clark), I made it clear that if there is no measurable progress on marine nature reserves within the next 12 to 18 months the Government will wish to reconsider the matter.

Mr. Dalyell: What does the Minister mean by "measurable progress"?

Mr. Waldegrave: If we have not achieved an agreement to have a marine nature reserve during the next 12 to 18 months, I would regard that as sufficient evidence to cause us to reconsider the law.

Mr. Soames: Will my hon. Friend do more to persuade the NCC to explain the excellent work that it does to a wider public? Is it not important that it has the support of the broader constituency?

Mr. Waldegrave: That is right, and the support that the NCC is increasingly obtaining from the farming community is important in enabling it to achieve that end.

Mr. Weetch: Would it not be a sound idea to establish strong funding so that emergency action could be taken if an area recommended as an SSSI were threatened by unnecessary and ill-thought-out commercial expansion? Does the Minister realise that such an area in the Orwell estuary is already threatened? Has the NCC made any recommendations to his Department, and, if so, what is his response?

Mr. Waldegrave: I shall write to the hon. Gentleman about the Orwell estuary. With all-party support, the House moved to block the three-month loophole, and my right hon. Friend the Secretary of State showed himself ready to move quickly to make conservation orders where necessary.

Mr. Key: Although we are all grateful for the increase in NCC funds, does my hon. Friend accept that there is an increasingly fine line between the establishment of SSSIs and other sites of special interest, which may be more archaeological than agricultural? Does he agree that additional funding may be necessary from other sources, for instance, to save some of the finest water meadows in Britain — an example of which is at Britford near Salisbury—some of which have already been ploughed up?

Mr. Waldegrave: My hon. Friend is right to say that we must not make the mistake of concentrating only on SSSIs. However, it is open to local authorities to make management agreements for sites of the sort to which my hon. Friend refers.

Dr. David Clark: In order to publicise the work of the NCC, will the Minister consider making its papers available to hon. Members? In view of the suggestion made by the hon. Member for Salisbury (Mr. Key) about the draining of wetlands, is the hon. Gentleman aware that a soil survey has shown that pH has fallen to as low as 2·5? Will he therefore be prepared to increase the funding of the NCC and ask it to undertake a full comprehensive soil survey of the East Anglia area in particular?

Mr. Waldegrave: I shall consider the hon. Gentleman's latter suggestion. A great deal of other work is going on into the sources of changing acidification in water. I shall certainly consider that suggestion as well as the other one that he made.

Water Supplies (Nitrates)

12. **Mr. Teddy Taylor** asked the Secretary of State for the Environment if he has yet made a decision on the applications from water authorities to seek exemption from the regulations limiting the content of nitrates in public water supplies; and if he will make a statement.

Mr. Waldegrave: My right hon. Friend the Secretary of State will be announcing decisions soon.

Mr. Taylor: In considering those applications, will the Minister make it clear that the Government are not giving up the battle to curb nitrate levels, which are regarded by many other Governments as a serious health hazard? Will his Department be willing to initiate action to curb the horrendous use of nitrates in intensive farming, which serves simply to produce more cereals which cannot be disposed of, and pollutes public water supplies throughout the country?

Mr. Waldegrave: My hon. Friend is right to draw attention to what is potentially a serious problem. My right hon. Friend the Minister of Agriculture, Fisheries and Food has recently published a code of practice about the application of nitrogenous fertilisers. We hope that it will have the desired effect.

Viscount Cranborne: Is my hon. Friend aware of the valuable research into the effects of nitrates on the water supply conducted in particular by the Freshwater Biological Association in my constituency? Is he further aware that the cut in grant that that association now faces is likely to affect dramatically the salutary results that are being obtained from that study?

Mr. Waldegrave: That is a matter for the Department of Education and Science and the research councils, but

the general principle, that the National Environmental Research Council is trying to move more of its research into the universities, is one which most people support.

Housing Stock

13. **Mr. Pike** asked the Secretary of State for the Environment if he will estimate the number of pre-war council houses awaiting modernisation included in those designated difficult to let in local authorities' housing investment programme submissions for 1985-86.

Sir George Young: The information is not available.

Mr. Pike: Is it not time that the Minister found out just how many thousands of houses in this country are urgently awaiting modernisation, and are difficult to let, including many in my constituency? The problem is that the Government give insufficient HIP allocation and have reduced the amount of capital receipts that councils can spend. Because the burden of improving council houses is forced on to rents or rates, or a combination of the two, does the Minister accept that all those facts show that the Government's housing financial policies are a disaster and that they should be prepared to make a change?

Sir George Young: I would not accept that for one moment. The Department depends on the local authorities for the information that it gets on the housing stock. With regard to the hon. Gentleman's constituency, there is a problem with the stock that was built between the wars, not least because when restraints on public expenditure were less strict Burnley failed to take effective action to safeguard the condition of its stock. However, in the forthcoming allocation we shall take into account the problems facing housing in Burnley.

Mr. Malone: Does my hon. Friend agree that housing improvement, whether in the public or the private sector, is an activity that creates substantial employment opportunities at a relatively low net cost to the Treasury? Does my hon. Friend therefore agree that it would be extraordinary for us to reduce the funds available to support that activity to achieve gross savings regardless of the net effect on Government expenditure?

Sir George Young: I am sure that my hon. Friend will be pleased to know that the amount of public money spent on improvement grants has gone up by some £90 million since we came into office, to about £700 million for the year that has just passed. Tomorrow we hope to publish a Green Paper on our proposals for improvement policy.

Mr. Tom Clarke: When the informatin becomes available, will the Minister assure the House that he sees a relationship between the lack of response to the scheme for the modernisation of pre-war houses and the large number of bankruptcies among small firms perfectly capable of doing that work? Is it not the case that the inadequacies of Government finance have added workers to the dole queues?

Sir George Young: The hon. Member must try to keep this in perspective. For every £1 of public money that goes into the improvement and conversion of houses, £20 comes from the private sector. Therefore, it is important to pursue policies to ensure that the £20 is available rather than concentrating on the £1.

Audit Commission (Report)

14. **Mr. Wainwright** asked the Secretary of State for the Environment if he will make a statement on the Audit Commission's report on captial spending.

Mr. Patrick Jenkin: I welcome the report. The commission has drawn attention to flaws in the present system which the Government had already identified and which led us to review the system in consultation with local government. The report will make a useful contribution to this work.

Mr. Wainwright: Does the report not substantiate and amplify in the most authoritative and independent way the criticisms by the Select Committee on the Treasury and Civil Service in each of the last four years, of the Government's persistent mismanagement of public capital expenditure? Does the Secretary of State not realise the urgency of this matter, when skilled people are idle, plant is underused and people are suffering from the inadequacies of the built environment?

Mr. Jenkin: I recognise the urgency to which the hon. Gentleman refers. I have had a series of meetings with local authority associations and officials and I hope to write shortly to the associations or to have a meeting at member level to discuss the options that the investigations have shown up. We shall then have to reach decisions as soon as possible.

Mr. Latham: Is it not clear that the present system does not work? As my hon. Friend the Minister for Housing and Construction announced that this would be reviewed when he introduced the capital receipts reduction orders in the House, will my right hon. Friend assure us that a new system will be in place by the next financial year?

Mr. Jenkin: Nobody knows better than my hon. Friend the great complexity of trying to reconcile the two objectives that have been shared by all Governments: first, the Treasury's reasonable measure of control over total public expenditure, including local authority capital expenditure and secondly, giving local authorities time horizons and certainty and flexibility so that they can plan their programmes sensibly. These are complex matters, but I hope that we shall reach decisions soon.

Bates Colliery (Closure)

3.31 pm

Mr. John Ryman (Blyth Valley): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration namely,

"the peremptory announcement of the closure of Bates colliery in Blyth yesterday by the National Coal Board."

The area director of the north-eastern area of the NCB yesterday informed officials of the NUM, in breach of all previous undertakings made by him, that Bates colliery in Blyth, which employs over 1,700 men, was to close immediately. This pit has a good record on productivity and industrial relations and high quality coal. By closing it, the Government are cold-bloodedly murdering the surrounding town of Blyth, whose economy depends entirely on the pit.

The area director of the NCB acted on the instructions of Mr. MacGregor, the chairman, and the Secretary of State for Energy, who poses in the Cabinet as a Left-wing fop, but who is instructing the NCB to carry out a murderous programme of pit closures. He has been guilty of the most serious negligence and misconduct, because only last year £2 million was invested in the pit, but it is now proposed to close it immediately, notwithstanding that recent substantial investment.

The Secretary of State was asked to reconsider the matter and yesterday the area director of the NCB said that the existing review procedure had been bypassed and that no attention had been paid to the existing review procedure. The matter is not negotiable. No consultations will take place, and the men at Bates pit can take it or leave it.

I am conscious, Mr. Speaker, that I have to satisfy you on the correct criteria for succeeding in such applications and to persuade you that the matter is so urgent that it should have priority over today's business. I submit strongly that, it should, in view of the widespread repercussions of the closure of this coal mine, a closure which delberately ignores the existing review procedure. There are 29 million tonnes on unworked but workable coal in the pit of high quality and the matter is of such grave importance that it should be debated today.

In my respectful submission, the Secretary of State for Energy has been guilty of fraud and negligence and various other forms of reprehensible misconduct involving moral turpitude, and I respectfully submit that the matter is so urgent that it should have priority over all the other business today.

Mr. Speaker: The hon. Member for Blyth Valley (Mr. Ryman) asked leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

"the closure of Bates colliery in Blyth, Northumberland, as announced by the NCB yesterday."

As the hon. Gentleman has said, I have to decide whether to give the matter precedence over the business set down for today or tomorrow. I have listened with care to what he has said, but I regret that I do not consider the matter that he has raised as appropriate for discussion under Standing Order No. 10 and, therefore, I cannot submit his application to the House.

District Auditor (Islington)

3.35 pm

Mr. Jeremy Corbyn (Islington, North): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the threat to Islington council's jobs and services by the presence of the district auditor in the town hall this morning."

I make this application because in the borough of Islington, as in the rest of the country, we have a democratically elected council and a local authority which is attempting to keep faith with the people who elected it and to maintain jobs and services. Islington council, like various other councils, has been subjected to a process of selective vindictiveness by the Government since 1979 and more than £40 million of rate support grant has been taken from the borough. Earlier this year, the Secretary of State for the Environment announced that Islington council, in common with the other poorest parts of the country, was to be rate-capped and to lose grant and that the Secretary of State would control its spending levels. Since then, in common with others and as part of its campaign to get central Government funds back, Islington borough council has not set a rate.

The matter is urgent because the district auditor—not the Secretary of State for the Environment, who is the real villain and the person who wishes to destroy the jobs and services, but a Government agent—arrived at the town hall this morning to threaten local councillors with court proceedings if they did not set a rate in the near future.

The matter is important because the council has the support of the population of Islington. More than 2,000 people turned up at the town hall this morning to express their views, and the work force feels likewise. It is also urgent because there is a danger that the Government's policies will seek to criminalise councillors in Islington and elsewhere merely for keeping faith with the manifestos on which they were elected.

It is urgent that the matter be debated in the House so that the Secretary of State can explain why he takes that attitude towards Islington and the other poorest parts of the country.

Mr. Speaker: The hon. Member for Islington, North (Mr. Corbyn) asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

"the threat to Islington council's jobs and services by the presence of the district auditor in the town hall this morning."

I have listened with care to what the hon. Gentleman has said but I regret that I do not consider the matter that he has raised as appropriate for discussion under Standing Order No. 10 and, therefore, I cannot submit his application to the House.

Members' Interests

3.38 pm

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Speaker. My point of order relates to applications to move Second Readings of Private Members' Bills, objections to those Bills, the right of Members to know of commercial manipulation of House affairs and the implications for Members' interests. It does not relate to any particular case of an individual's registration, as that would be a matter for the Select Committee on Members' Interests.

As the House knows, when a Member who is sponsored by a trade union or who acts as an adviser, consultant or director and is remunerated for that speaks in the House, he will make a declaration of interest in the Register and, traditionally, on the Floor of the House. The rules are clearly set out in paragraph 292(3) of the "Manual of Procedure", which states:

"A declaration should be made where appropriate at the beginning of most oral interventions in proceedings. This covers participation in debate in the House or in standing committee and at meetings of select committees".

This matter was raised with you last year several times, particularly when you ruled on my point of order about whether a declaration should be made before asking a supplementary question. You ruled:

"Looking again at the point you raised in the House after my ruling given on Monday 30 January 1984—namely, whether from the standpoint of declaring an interest, the answer to a question should be distinguished from the question itself—I have concluded that this matter would be best considered in the first instance by the Select Committee on Members' Interests and that you ought properly to raise it with them." — [*Official Report*, 9 February 1984; Vol. 53, c. 1039.]

I mention that because I am trying to establish whether there is a precedent for ruling in relation to these matters.

The position is now quite clear. The briefest of interventions constitutes an oral intervention for the purposes of paragraph 292(3). On 9 December last year, in column 645, the hon. Member for Batley and Spen (Mrs. Peacock) brought forward her Road Traffic (Driving Instruction) Bill. It was objected to. It was again brought forward on 16 December, reported in column 1360 and on 20 January in column 607. On each occasion it was objected to, and on all occasions by members of the alliance.

Both Government and Opposition had agreed to allow the measure to go through on the nod, as it was about raising driving instruction standards. Despite obstruction from alliance Members, the Bill only cleared the House on the fourth attempt, on 27 January, when alliance Members arrived too late to object——

Mr. Speaker: Order. The hon. Gentleman should make a point of order to me, and should not go over old history which we know.

Mr. Campbell-Savours: This is absolutely crucial to my point of order, Mr. Speaker, as you will see as I develop it.

Having cleared the House of Commons, the Bill went to the other place. On 2 April, at the request of Lord Tordoff, the Liberal Chief Whip in the House of Lords, the House went into Committee to deal with one amendment, which would have curtailed the activities—*[Interruption.]* I am being barracked by Liberal Members. The amendment would have curtailed the activities of some driving instructors.

Lord Tordoff said:

"there is here a problem which is widely felt among the driving schools, particularly the larger ones". — [*Official Report, House of Lords*, 2 April 1984; Vol. 450, c. 486.]

He then referred to the British School of Motoring, which would have been a financial beneficiary had the amendment been accepted. It was by now clear that with alliance support in the House of Commons in the form of the use of the word "Object", and Lord Tordoff's speech in the other place—an oral intervention, by the way—a successful attempt had been made to extract concessions from the Government effectively to protect the position of the British School of Motoring.

We all know that Members speak up for outside interests in our debates. That is not unprecedented. Trade unions lobby Members of Parliament to raise issues, as do commercial undertakings. But on this occasion there is a distinct difference. When COHSE, the Confederation of Health Service Employees, sponsors me, from which I receive no personal remuneration but a contribution to my constituency party funds, and which at election time is worth approximately £1,300 a year towards my election expenses——

Mr. Speaker: Order. The hon. Gentleman is making a speech rather than a point of order. I think that I have got the drift of what he is trying to say.

Mr. Campbell-Savours: I have nearly finished, Mr. Speaker. In my case, that is registered in the Register of Members' Interests. Likewise, if a Conservative Member acts as a consultant director or adviser to a commercial undertaking, he similarly declares an interest. But when Liberal Members of Parliament receive on behalf of their party part of £188,000—a contribution from the British School of Motoring—and in return obstruct a Bill in the House of Commons and try to move amendments to it in the other place, not one of them has the decency to declare that to the House.

What is the difference? My sponsorship goes to my party. The Liberals' £188,000 goes to their party. A proportion of the £188,000 is spent upon promoting alliance candidates at general elections. They are, therefore, effectively sponsored. That is in addition to the use of aeroplanes by the Liberal party leader from the same source. Furthermore, Mr. Anthony Jacobs, the chairman of the British School of Motoring, when asked to comment said:

"There is nothing I wish to influence. There is nothing really to influence. You can't influence the Liberal party."

The truth is that Mr. Jacobs has effectively bought the alliance.

My point of order, Mr. Speaker, is that in the same way as in column 1039 on 9 February 1984 you were willing to conclude

"that this matter would best be considered in the first instance by the Select Committee on Members Interests" — [*Official Report*, 9 February 1984; Vol. 53, c. 1039.]

I ask you to do the same on this occasion.

Mr. A. J. Beith (Berwick-upon-Tweed) *rose*——

Mr. Dennis Skinner (Bolsover) *rose*——

Mr. Brian Sedgemore (Hackney, South and Shoreditch) *rose*——

Mr. Speaker: Order. Before I rule on the matter, I must hear the hon. Member for Berwick-upon-Tweed (Mr. Beith).

Mr. Beith: Is it not an abuse of the points of order procedure to attack the personal integrity of hon. Members by way of a point of order rather than by way of a substantive motion?

Secondly, is it not a curious omission from the long account of the hon. Member for Workington (Mr. Campbell-Savours) that he did not mention that the amendment pursued by the alliance received fulsome support from the Front Bench of the Labour party when it was pursued in the House of Lords and that it was designed to make the Bill more effective?

Finally, had any hon. Member risen in his place on any of the occasions when the Bill was brought before the House with the promoter's intention that it should proceed without any discussion and sought to declare any personal interest, if he had one, in the matter, would not that have constituted debate arising on the matter and would it not by itself—*[Interruption.]*

Several Hon. Members *rose*——

Mr. Speaker: Order. I am not prepared to allow a debate on this matter. The hon. Member for Workington (Mr. Campbell-Savours) raised a point of order at considerable length. I thought it only fair to allow the Liberal Chief Whip to respond.

Mr. Skinner: On a point of order, Mr. Speaker.

Mr. Speaker: Order. The hon. Member for Workington kindly sent me a note when I had mumps saying that he would not raise a point of order with me until he felt that I was fit enough to deal with it. Therefore, I am all the more sorry that the point he has raised is not a matter for me. The rules of the House with which I am concerned apply to the declaration of pecuniary interests by individual Members, not by political parties. The hon. Member must seek other ways to pursue his complaint. The hon. Member mentioned my last piece of advice to him when he raised a point of order of a similar kind. Since he is a Member of the Select Committee on Members' Interests, that is the place where he should raise it.

Mr. Peter Hardy (Wentworth): Further to that point of order, Mr. Speaker. Your ruling means that those hon. Members who are sponsored by a trade union, as I am sponsored by the National Association of Colliery Overmen, Deputies and Shotfirers but who receive no personal remuneration from that sponsorship need not declare it.

Mr. Speaker: I did not say that. I repeat to the hon. Member what I said: that I am concerned with the declaration of pecuniary interests by individual Members, not by political parties.

Mr. Robert Adley (Christchurch): On a point of order, Mr. Speaker. I share with the hon. Member for Workington (Mr. Campbell-Savours) membership of the Select Committee on Members' Interests, although I did not know that he intended to raise this matter. There is a specific point here which, as you rightly say, might be raised in our Committee, but may I suggest that the simplest way to deal with it would be for the leader of the Liberal party—his party's hypocrisy on these matters is well known in the House if not always outside—to come to the House and make a statement saying that no letters had passed or conversations had taken place between Mr. Jacobs and his representatives on the Bill?

Mr. Speaker: That is a legitimate matter for debate; it is not a point of order for me.

Several Hon. Members *rose*——

Mr. Speaker: I will take one further point of order from the hon. Member for Bolsover (Mr. Skinner).

Mr. Skinner: Yes, Mr. Speaker. My point of order is somewhat different, yet it is associated with the initial point of order raised by my hon. Friend the Member for Workington (Mr. Campbell-Savours). Since I raised the matter last week, I have received an important letter and I need some advice from you on the appropriate place to raise the matter. The letter is from a driving school, and says:

"I am writing to thank you for bringing to light the scandal involving BSM and the Liberal party. It has long been common knowledge within this profession that BSM have extremely low standards of tuition, poorly paid and under-qualified"——

Mr. Speaker: Order. I am responsible for lots of things, but not for that.

Mr. Skinner: I shall just finish the sentence.

"Unfortunately,"—

this is the point—

"their use of 'British' in their trading title has enabled them to continue in business over the years, but their performance does not live up to the promise of the name."

I have another letter from Yorkshire making the same point.

If that is the case, there was every reason to tighten up driving school standards, and from what I can gather, the Liberals were doing their level best to stop it.

Would the matter be better dealt with by the Select Committee suggested by my hon. Friend the Member for Workington or by the Select Committee on Transport, so that we can unearth the scandal and find out the exact link between the sponsored Liberal Members of Parliament and the British School of Motoring and how much money they really have made over the years?

Mr. Speaker: Order. None of that is a matter for me. I suggest that the hon. Gentleman should study the proceedings of the Bill which I understand passed all its stages in both Houses.

Mr. Derek Fatchett (Leeds, Central): On a point of order, Mr. Speaker.

Mr. Speaker: Is it another point of order?

Mr. Fatchett: Yes, Sir.

Mr. Speaker: Another point of order.

Mr. Fatchett: I want to raise with you, Sir, the status of the Register of Members' Interests, because it appears to me that those of us who now disclose the fact that our constituency parties are sponsored by trade unions are placed at a public disadvantage. For instance, a Liberal Member of Parliament from an adjoining constituency need not declare that he is sponsored, but I have to declare my interests for the Register of Members' Interests. I have to declare that interest when I take part in debates in the House, but somebody from an adjoining constituency does not have to declare such an interest. The only remedy left to me as a Member who has declared his interests is to withdraw my name from the Register of Members' Interests because those of us who are sponsored by trade unions will now have to declare that while other Members do not.

Mr. Speaker: The hon. Gentleman has raised exactly the same point of order as his hon. Friend the Member for Workington (Mr. Campbell-Savours). It has always been the case that Members declare their personal interests; it has never previously been the case that parties declare any funds that may come from outside the House, from whatever source. If the hon. Gentleman feels strongly about that, he should consult the Registrar of Members' Interests. He will tell him.

Mr. Jeremy Corbyn (Islington, North): On a point of order, Mr. Speaker.

Mr. Speaker: I shall only take a different point of order.

Mr. Corbyn: I want to ask you something, Mr. Speaker, about your ruling.

Mr. Speaker: Briefly.

Mr. Corbyn: I listened carefully to what you said about the Liberal party receiving funds, but what is not clear from your ruling is whether, if the Liberal party receives money from the British School of Motoring—money which is passed to individual Liberal Members of Parliament—they then fall within the category of those who receive outside sponsorship. If that is the case, what they raised during the debate should fall within the purview of your questioning.

Mr. Speaker: That is a purely hypothetical matter.

Licensing Acts (Amendment)

3.55 pm

Mr. Roger Gale (Thanet, North): I beg to move,

That leave be given to bring in a Bill to amend the licensing Acts for England and Wales to permit longer and flexible opening hours.

I shall try to keep my speech shorter than that by the hon. Member for Workington (Mr. Campbell-Savours) on his point of order.

Today the country celebrates the 40th anniversary of the ending of the war in Europe. A great deal has changed since 8 May 1945, but some things remain much the same. After listening to the formal announcement of victory on the Home service at 3 o'clock in the afternoon 40 years ago, a man might have been moved to go out and celebrate that great event. If at the conclusion of that broadcast he had visited his local public house he would have been told, "I am sorry Sir, we are closed." The man would have been worldly wise and used to the vagaries of our licensing laws and he would not even have bothered to make the journey.

Today, 40 years on, the situation is much the same. The fundamental difference in England and Wales is that that same old soldier, moved by nostalgia, can now cross the road from his public house to the off-licence advertising "Ice cold beer sold here" and buy his cans of beer. He can then sit on the steps of his public house and provided that he does not obstruct the pedestrian highway, cause a nuisance or loiter, he can drink his beer with impunity.

The law that drives that man to that ludicrous, undignified necessity is the relic of an earlier war. It is the result of a pledge, dishonoured by this House, which instead of repealing the Defence of the Realm Act which was passed to prevent munitions workers from getting drunk in 1915, took DORA—as that Act is less than affectionately known—and distilled her, first as the Licensing Act 1921 and subsequently as the Licensing Acts of 1961 and 1964.

I seek to introduce a Bill to amend those antiquated wartime measures which are in force in England and Wales. I propose that, with the consent of the licensing justices, the licensee of a public house shall be permitted to open, by prior determination, for any 12 of the 14 hours between 10 am and midnight. I propose that the opening hours be published outside the public house for the information of the general public and, of course, of the police. I propose that a minimum number of hours a year be laid down during which a public house shall be open to the public. Such a minimum number will permit the publican, as of right, to close for such hours of the day, days of the week, weeks of the month or even months of the year when in his commercial judgment there is insufficient trade to justify his opening. Those closing times shall also be published and made available.

The Bill will be supported by many hon. Members who have taken a keen interest in the growth of our tourist industry. Perhaps rightly, that industry is regarded as the greatest industrial success story of our time. Tourism is a growing industry which is worth millions of dollars and many thousands of jobs to the British Isles. Those who seek to promote that industry—the tourist boards of England, Wales, Scotland and Northern Ireland, Government Departments and the trade itself—bear much of the responsibility and must therefore take much of the credit for its continuing and growing success.

[Mr. Roger Gale]

This season it is expected that for financial and other reasons more foreign tourists will visit these shores than ever before and that more domestic holidaymakers will stay at home. There is, therefore, a tremendous opportunity to consolidate a market. We should not lightly throw away that opportunity.

More work must still be done. We must improve the standards of our hotels, restaurants and guest houses and introduce a voluntary registration scheme which allows a visitor quickly to recognise the standards. We must guarantee real value for money and promote facilities, attractions and our heritage. All these matters are for the industry to tackle, with Government backing.

This House can also help. Today I ask hon. Members for leave to introduce one small measure to help us to put out the welcome mat in time for this summer season, so that the hitherto perplexed foreign visitor and domestic holidaymaker can buy an alcoholic drink in the cool of an English pub in the heat of a summer afternoon in Britain, as they can almost anywhere else in the civilised world.

This House has much pressing and important business before it this afternoon, and I do not want to rehearse any of the arguments that more properly belong to a Second Reading debate. However, it would be wrong of me to promote this measure without indicating my awareness of and respect for the concern shown by those in the House who have consistently opposed the introduction of longer and more flexible licensing hours.

Before my election to this House, I studied for the preparation of a television programme on alcoholism and problem drinking, especially among the young — *[Interruption.]* I said that much in the House had not changed in 40 years and our licensing laws are undoubtedly part of that. I suspect that in 40 years the same Opposition Members will be heckling from the same Opposition Benches.

As part of my research I was privileged to undergo a 12-week training course with the ACCEPT organisation on what it called sensible drinking skills. *[Laughter.]* Hon. Members may find cause for levity in that, but the purpose of that organisation's presence in this country is to try to prevent people, especially young people and those with severe alcohol problems, from drinking too much.

I repeat that I am therefore aware of the problems and concerns expressed previously by many hon. Members. I have no wish to exacerbate those difficulties — nor, I suspect, does any hon. Member, and certainly not those who seek with me to introduce this Bill.

Much has been made, and will no doubt continue to be made, of the results of the Scottish experiment. The House awaits the report of the population survey carried out by the Scottish Office. There are those who feel that I should have waited until its publication before seeking to introduce this measure.

I wish briefly to make a prediction based upon discussions with a representative of the alcohol research unit at the university department of psychiatry at the Royal Edinburgh hospital. The report will produce a neutral set of results. It will, of course, demonstrate — as the statistics show — that the incidence of conviction for alcohol-related offences in Scotland has, since the implementation of a small part of the Clayson report, fallen. It will also show that, since 1976, consumption of alcohol has fallen in Scotland — but so, it will be argued, has it fallen elsewhere.

What is certain is that a change in the law has led to what Professor Christopher Clayson described as a more civilised style of drinking in a more relaxed and socially controlled environment. That relaxation has not yet embraced the dramatic change in drinking style — a major shift towards the consumption of alcohol in a family environment — that Professor Clayson envisaged, but it is certainly a step in the right direction.

I am convinced, both from my own observations and from the research of those more experienced and more qualified than I, that the solution to the affliction of alcoholism and problem drinking will come not from the enforcement of quaint licensing regulations that are both inconsistent and abused, but through education and the acquisition of the sensible drinking skills taught through the ACCEPT programme. Those skills are more likely to be acquired in the controlled atmosphere of a public house that is open at reasonable hours than through bout drinking sessions created through truncated opening hours topped up with alcohol acquired either from an off-licence or from a supermarket at virtually any time and consumed without supervision.

I am grateful for your patience, Mr. Speaker. I seek to introduce a measure that has the rare distinction of carrying with it the potential creation of employment, popular appeal and, as I hope I have demonstrated, social desirability. A Bill under the ten-minute rule is, as we all know, fragile. But if the House this afternoon gives me leave to introduce my Bill, those who differ from its aims should recognise the value of deploying their arguments in Committee and should not prevent this measure from having a Second Reading.

Question put and agreed to.

Bill ordered to be brought in by Mr. Roger Gale, Miss Janet Fookes, Mr. Richard Alexander, Mr. David Gilroy Bevan, Mr. John Butterfill, Mr. Conal Gregory, Mr. Rob Hayward, Mr. Greg Knight, Mr. Barry Porter, Mr. Albert McQuarrie, and Mr. Colin Shepherd.

LICENSING ACTS (AMENDMENT)

Mr. Roger Gale accordingly presented a Bill to amend the licensing Acts for England and Wales to permit longer and flexible opening hours; And the same was read the First time; and ordered to be read a Second time upon Friday 10 May and to be printed. [Bill 144.]

Orders of the Day

Finance Bill

(Clauses 3, 10, 35, 40, 54, 64 and 87 and schedules 12, 16 and 22)

Considered in Committee [Progress 7 May]

[SIR PAUL DEAN *in the Chair*]

Clause 64

MODIFICATION OF INDEXATION ALLOWANCE

4.6 pm

Mr. Neil Hamilton (Tatton): I beg to move amendment No. 12, in page 59, line 26, leave out 'indexation allowance' and insert 'chargeable gain'.

My hon. Friend the Member for Croydon, South (Sir W. Clark) is unable to be here today, and in the absence of any more alluring invitations I have agreed to become his PPS for this debate. As we see eye to eye on these matters, I thought that I should say what he would have said had he been here.

Last year my right hon. Friend the Chancellor of the Exchequer promised to reform capital taxation, especially capital gains tax, in the 1985 Finance Bill. The indexation provisions that we are debating today appear to represent the full extent of that reform, and, of course, the reliefs given are most welcome.

One widely recognised anomaly — which I believe Treasury Ministers also recognise—is that the system of capital gains tax as it now applies has ceased to be a capital gains tax in the general sense and has become a 17-year inflation tax covering the years 1965 to 1982. That results from the indexation provision introduced by my right hon. and learned Friend the Member for Surrey, East (Sir G. Howe) when he was Chancellor.

Confusion surrounds the tax, and that makes it an inefficient and ineffective tax. It is also an unjust tax, especially for the long-term investors who acquired their assets during the 17-year period or who held assets when the tax was introduced. It was introduced as a short-term tax, but, in effect, we have removed that element of the tax and made it bite hardest against those who have held assets for a significant period. That will become worse as the years go by and as the number of those investors diminishes.

There will also be considerable administrative difficulties. The new rules, especially those allowing indexation losses — which I welcome — are complex. Schedule 16 adds an additional eight pages to the statute book, which I regret because that means more work for accountants and lawyers. I do not complain so much about that as about the additional work for business men, especially those involved in small and family businesses.

Those who remember the administrative difficulties surrounding valuation when the tax was introduced in 1965, hardly relish the problems and the administrative and accountancy costs of now determining the March 1982 values, especially for land and unquoted family companies.

A simple solution to those difficulties is contained in the amendment. Far from seeking to extend the indexation provisions, which would be cumbersome and complex, the amendment seeks the simple solution of treating property as having been acquired in 1982.

This change would incur a cost, I do not deny, but in terms of its rationality, there is much to be said for it. For example, the complicated 1965 transitional provisions would cease to be important and it would no longer be necessary to delve into history to calculate, for example, allowable expenditure. Valuations, in particular, would relate to a period much more within the practical experience of practitioners and valuers.

Furthermore, fewer valuations would be required. At present, it is possible that before computing the chargeable gain, the land or other asset concerned must be valued both for a 1965 and a 1982 value. The amendment seeks a simplification in that the 1965 or other valuation would no longer have to take place.

The amendment would be particularly helpful to those family businesses that have been carried on through long-established companies where the double charge to capital gains tax on liquidation inhibits the sensible reorganisation of the business. Those are valuable reforms that we might make in this complicated tax as it now stands, a tax which will bring in a diminishing revenue year on year as real gains only are taxed and not the inflationary gains that we have had since the tax was introduced.

If my right hon. and learned Friend the Chief Secretary is not minded to accept the amendment, he might care to consider another way in which this part of the Bill could be simplified. It comes in the form of a simple suggestion that has been put forward by the Institute of Directors. The institute proposes that after an asset has been held for seven years, it should drop out of the charge to tax and should not be available for a loss to be acquired for the purposes of computing one's capital gains tax liability. That alternative also merits consideration.

Consider, for example, an asset which has maintained its real value throughut the period up to 1982. We find an extraordinary situation. By April 1982, the asset would have accumulated an inflationary taxable gain—which will still be taxable after the Bill has become an Act unless an amendment is accepted—of 85 per cent. of its real value if it were originally acquired in April 1965; of 75 per cent. if acquired in April 1975; and of 42 per cent. if acquired in April 1978. That is not acceptable.

Mr. D. N. Campbell-Savours (Workington): Is the hon. Gentleman aware that at a time when Ministers repeatedly ask the British public to take in the waste and cut out excess, to accept cuts in social services and education spending and to accept increases in bus fares, it sticks in the throat to have him move an amendment which would effectively reduce the amount raised by way of capital gains tax, a tax that is paid by few people in society and invariably by those with great wealth? Is he aware that he is not serving the national interest by moving this amendment, particularly when in Manchester, which is close to his constituency, hundreds of thousands of people are living in poverty and deprived circumstances? Why does he favour the few at the cost of the many?

Mr. Hamilton: I do not accept the premise on which the hon. Gentleman makes that intervention. The simplification which this tax change would bring about

[Mr. Hamilton]

would mean that many people who are now engaged in activities which can hardly be regarded as productive would turn their energies elsewhere, which in turn would produce more real jobs in the economy and thus contribute towards the creation of that enterprise culture which we have done so much to achieve in the past six years. Priorities in expenditure are, of course, for the Government to determine, and I have not denied that a cost would be incurred in making this change. I am pleading for a more rational tax system, which I hope Opposition Members will support.

4.15 pm

There is an injustice involved in this tax, which is a clog on free markets because there is—to the extent that it taxes inflationary and not real gains—a considerable disincentive to disposing of assets to reinvest the money, at least in certain types of company. To that extent it prevents individuals from making investments which are likely to be most productive.

There are many reasons to support the amendment and other forms of reform that are proposed in the area about which I am speaking. I will not go further into the detail of the argument. I seek only to invite the Government to take two steps. The first is to admit that there is no justification for not giving relief in some appropriate form, not necessarily by means of indexation, for pre-1982 inflation, except in terms of the cost to the Exchequer, which will diminish year by year. Secondly, I want my right hon. and learned Friend to promise action in future, so long as Exchequer costs can be justified, to remedy the injustice.

Sir Brandon Rhys Williams (Kensington): I support the amendment, which was tabled in the first instance by my hon. Friend the Member for Croydon, South (Sir W. Clark). I must at the outset declare a distinct personal interest, having just agreed to sell an asset in my ownership; and if the Committee agreed to the amendment, I should not be liable to a substantial payment by way of capital gains tax to which I shall otherwise be liable.

Mr. Campbell-Savours: The hon. Gentleman is at least honest.

Sir Brandon Rhys Williams: Having spoken for myself, I know that I am speaking for thousands of my constituents and hundreds of thousands of other citizens who are obliged to pay what I consider to be an unfair form of capital gains tax.

I do not disagree with the idea of a capital gains tax being levied in cases where people make a regular income —and I am not saying that it is wrong that they should do so—by achieving small capital gains in the course of their work, such as those who work in the commodity markets. It is right that where they are using capital gains as a form of income, something equivalent to income tax should be levied.

It seems absolutely wrong, however, for us to retain this survival from the great inflation of the 1970s. It is the wrong way to raise a capital gains tax. It is, in fact, a capital levy rather than a respectable tax and it should not be continued in the Bill.

The Government are obviously ashamed of this form of taxation because they have started nibbling away at it again. Their right course, however, would have been to have got rid of the tax altogether in so far as it refers simply to inflationary gains. There are many reasons for that. For example, it is a random levy. It is not raised on everyone who owns capital but on those who manage their assets competently and who decide to change their portfolios so as to invest in the future rather than to hold on to the investments of the past. It does not touch people who are content to hold on to yesterday's investments.

It is wrong also on the Treasury's part in that it is continuing to use this tax as something which, as the Minister said on Second Reading, is regarded as a source of revenue. If the Government were to use the proceeds from this capital levy as capital, that might be more respectable, although it would still be wrong. As he admitted, the Treasury simply raises this money as a capital levy and then applies it as revenue. This is yet another insight into the muddled thinking of the Treasury which does not distinguish properly between the capital account and the revenue account. This tax also distorts the capital market.

Dr. Oonagh McDonald (Thurrock): The hon. Gentleman has made a point about regarding a capital gain as revenue. How does the hon. Gentleman think the Treasury regards the sale of British Gas? Does it regard the sale as revenue or not?

Sir Brandon Rhys Williams: The hon. Lady has put her finger on an extremely serious point. The Government need capital and revenue. They should differentiate between the sources of the money that they take from society, and have a properly stated capital account and revenue account. Until we have that, we shall never be able to penetrate into what the Government are doing with regard to the economy.

This tax distorts the capital market because it prevents the adjustment of share prices which would benefit rising companies seeking new funds. It helps to sustain the price of shares in companies which are suspected by investors but because of the tax they do not sell, because they are not prepared to suffer the loss involved in changing their holding. This is a drag on the stock market's efficiency.

The tax also has the effect of diminishing the private sector of the stock market. In past years it has been decided that unit and investment trusts and the like are not required to pay this tax when they change their portfolios, but private sector investors must continue to do so. The diminishing private sector faces a particular penalty because of the way in which the Government continue to raise this capital gains tax.

The stock market in London is being weakened because there is a diminishing number of people to make up their minds on a particular issue. The herd of institutional investors tend to move in the same way at the same time. The London market is becoming dangerously unstable. It is wrong that we should diminish the number of people who are willing from time to time, because of their personal knowledge, judgment and ability, to draw on other sources of advice, to take a contrary view to that of the market.

The Government are acting against their own best principles in continuing this tax. It is the opposite of the ideal of private thrift and self-provision. Lately we have heard my right hon. Friend the Prime Minister—I think that all Conservative Members agree — say that she

wants to initiate an era in which everyone can be a capitalist. Yet the Treasury is continuing with this unfair form of capital gains tax. It is particularly inapposite at a time when we want to place more emphasis on the need for people to provide for their own retirement through personal pension schemes. People who obtain a pension through one of the established institutions will be able to rely on a body that is exempt from taxation, including capital gains tax. People who try to provide for their old age through their own earnings will remain in the category of those who are hit by this tax.

The Government have done a great deal with regard to indexation and have taken away much of the stigma of this tax for people making their first investment choices; but it is still wrong to impose a retrospective tax on inflation. If we want capitalism to succeed, we must take off the brakes. I understand the sincerity of the hon. Member for Workington (Mr. Campbell-Savours)—he is not in the Chamber now—who is concerned about the burden of taxation and the way in which the Government plan their expenditure within a limited budget; but it is wrong to raise money from the capital market by confiscation. If the Government want to raise money from the capital market, they should pay for it on market terms, and not by relying on obsolete legislation, which imposes a partial and unfair capital levy. It is the role of the House to watch what the Executive is doing when levying taxation on our people. Unfortunately, all too often, hon. Members fall down on that role because the major Opposition party regards itself as the party of high taxation and welcomes increases in taxes. It is not prepared to stand up for the people who are unfairly taxed.

Mr. Stuart Randall (Kingston upon Hull, West): The Government want to increase taxes.

Sir Brandon Rhys Williams: I have heard hon. Members, from the same party as the hon. Gentleman, who revel in the idea of increasing taxation, making the rich squeak, and so on. I do not say that there should not be taxation, but it must be proved to be necessary and shown to be fair. This tax is neither, and that is why the Committee should accept the suggestion made by my hon. Friend the Member for Tatton (Mr. Hamilton).

The Chief Secretary to the Treasury (Mr. Peter Rees): Although we are sorry that my hon. Friend the Member for Croydon, South (Sir W. Clark) has not been here to move his interesting amendment, I am sure that we are all glad that my hon. Friend the Member for Tatton (Mr. Hamilton) resisted more alluring invitations. How could there be a more alluring invitation than one to participate in a debate in Standing Committee on capital taxation, especially in relation to the Finance Bill? I congratulate my hon. Friend the Member for Tatton on his discrimination and the sensitivity with which he moved the amendment. I am sure that hon. Members welcome also the contribution of my hon. Friend the Member for Kensington (Sir B. Rhys Williams) who has thought long and deeply about this and other matters relating to the operation of our capital markets.

The amendment is not restricted to the elimination of the inflationary element of gains accrued before 1982. In fact, it moves the whole base line forward, taking the matter a good deal further. There may be a case, although it was not developed in full, for moving the base line forward—my hon. Friends the Members for Tatton and for Kensington touched on the matter of simplicity—but that is a slightly broader case than that based on inflation between 1965 and 1982.

A short-term gains tax was introduced in case VII of schedule D which was set up in the Finance Act 1962. It was limited to the disposal of most assets within a year, but disposal of real property within three years. Such was the appetite of the Labour party, for a period from 1965 the short-term gains tax was run in double harness with the longer-term capital gains tax with which we are still saddled. We abolished that short-term gains tax. We are left purely with what might be called a long-term gains tax.

I take the point made by my hon. Friend the Member for Tatton about the ravages of inflation. No doubt we shall have a chance to consider the general principles underlying this aspect when we consider the motion that the clause stand part of the Bill. I have no doubt that that occasion will be admirably utilised by the hon. Member for Thurrock (Dr. McDonald).

We can consider how equitable it is to have something which is described as a capital gains tax but which, to a degree, impinges on inflationary and not real gains. I point out one practical reason for suggesting to the Committee that it should resist the blandishments of my hon. Friend the Member for Tatton. The cost will be £550 million. My hon. Friend would say that that demonstrates the extent of the damage. The amendment, however, goes wider than inflationary gains—it brings the base line forward. The cost would be considerable.

The amendment would be slightly capricious in its effects. For example, between 1965 and 1982 agricultural land increased in value, on average, by about 750 per cent. while voting shares increased by 250 per cent. In both cases, there were dramatic increases. Moving the base line forward for all assets, regardless of their quality, would have a capricious impact.

My hon. Friend the Member for Tatton rested his case on the ground of rationality, which I think, on closer investigation, meant simplification. I would be the first to commend any amendment that was designed to simplify this extraordinarily arcane and complex field of law. I suspect that many of the complex provisions with which capital gains tax is presently encrusted would survive. I doubt whether real simplification would be achieved. The logic of my hon. Friend's case is that the tax should be abolished. That raises an interesting area of debate, but it is not one that my hon. Friend has chosen to employ on this occasion.

When an original base line was introduced at the time the first capital gains tax was levied in 1965, the taxpayer was given the option of adopting a time apportionment method to arrive at his capital gain or of taking the 1965 base line. I notice that, perhaps in the interests of simplicity, my hon. Friend the Member for Croydon, South chose not to introduce that concept in the amendment. Not all taxpayers will feel that the suggested solution was as equitable as my hon. Friend the Member for Kensington has suggested. My hon. Friend widened the debate. He reflected on the impact of such capital taxation on the operation of capital markets. I take his point. May I be bold enough to advance the general proposition that few forms of direct taxation do not distort the operation of the markets to a degree? Regrettably, few civilised states have been able to dispense with direct taxation.

[Mr. Peter Rees]

We could have an interesting debate on the relative merits of direct and indirect taxation and how they impinge upon the markets, but I suspect that I should be travelling a little wide and that even your indulgence, Sir Paul, might be strained to the limit. I merely leave my hon. Friend and the Committee with that thought.

4.30 pm

The hon. Member for Thurrock mentioned the composition of Government accounts and asked whether the yield of capital taxation should be allocated solely to capital expenditure. I should be the last to claim perfection for the public expenditure White Paper although, in a constitutional and perhaps in a personal sense, I have to accept responsibility for it. I was happy to do so in our debates before Easter.

The Committee will, however, recall that one of the innovations and improvements introduced was table 112 which sets out capital expenditure. If my hon. Friends study that table, they will see that the Government's capital expenditure is running at £22 billion per annum —considerably more than the yield of capital taxes and privatisation. I hope that the Government meet the point acceptably made by my hon. Friend the Member for Kensington. I am not claiming perfection for Government accounts and if we can set out that point with greater clarity, we shall endeavour to do so.

We have had an interesting debate. My hon. Friend the Member for Tatton has conceded that the amendment goes a little wider than he wished. The general principles have been well deployed. I hope that my hon. Friends will feel that they have had a sufficient airing. I hope that my hon. Friend the Member for Tatton will recognise that for many reasons, in particular the practical ground of cost, I cannot commend the amendment to the House. I hope that I shall not tax the patience of the House too much if I ask it to accept that capital gains tax is now on an acceptable and sustainable basis.

Mr. Hamilton: I accept what my right hon. and learned Friend says about the case made for the amendment. I said at the end of my remarks that I was looking for an indication from him that it was only cost that was preventing the Government from accepting a measure of indexation for the period 1965-82, that the Government would keep the matter under review and that when we could afford to introduce such a reform, the Government intended to do so.

Mr. Rees: I should like to be able to succumb to my hon. Friend's blandishments, which are so moderate and charming. It is natural that cost oppresses the Chief Secretary. One must be interested in the brutal facts of public finance. However, I ventured to deploy one or two other points which oppressed me. I should hate to say that my mind or those of my right hon. and hon. Friends were ever closed to the possibility of improving our tax system, for many parts of which I could not claim perfection.

The considerable reforms will be tested in the clause stand part debate. There may be criticisms from the Opposition. There may be unanimity on that aspect of our fiscal affairs, but somehow I doubt it.

I hope that my hon. Friends will support me in feeling that if clause 64 and the schedule attached to it commend themselves to the Committee, the tax will, at any rate for all present purposes, be regarded as acceptable and sustainable. I hope on that basis that my hon. Friend the Member for Tatton will not feel disposed to press the amendment to a Division.

Sir Brandon Rhys Williams: I was going to say that my arguments had been overcome by the suavity, knowledge and skill of my right hon. and learned Friend which make him such an asset to the Treasury team; but I find it necessary to contradict one point — his suggestion that capital gains tax is now on an acceptable and sustainable basis. I cannot agree with that. I hope that this is a matter that the Treasury will bear in mind when planning the taxation changes to which we look forward during the Government's term of office, if not during the course of the Bill.

My right hon. and learned Friend said that the amendment goes wider than the inflationary issue. It therefore goes wider than the intention for which I was arguing, and I shall not seek to divide the Committee on the issue, although that had been my intention when I first rose.

I ask my right hon. and learned Friend to realise that many people in this country sincerely believe that this form of taxation is wrong. The Government should not indulge in practices which are unfair and damaging to the capital market and which are contrary to the Prime Minister's principles.

Amendment negatived.

Question proposed, That the clause stand part of the Bill.

Dr. McDonald: The Opposition felt that the debate on amendment No. 12 was a matter for the Conservative Benches, but I must commend the hon. Member for Kensington (Sir B. Rhys Williams) for the refreshing honesty with which he put his arguments. He referred to the fact that he had a strong and immediate personal interest in the outcome of the matter. That is refreshing and, as we have heard this afternoon, it was a better performance than that of some other hon. Members.

The theme of the hon. Member's argument on the amendment is relevant to clause 64. Clause 64 and the amendment aim to inflation-proof capital gains. We should pause on that issue for a moment because the underlying principles will require justification by the Chief Secretary.

Clause 64 represents the Government's determination to protect a section of the community against the ravages of inflation. We can perhaps understand that, but we cannot understand the fact that the Government set a stony face against the request of others in the community—teachers, nurses, civil servants and others—to have their income inflation-proofed. Last night, the Chief Secretary was asked to justify the unequal treatment given to one section of the community compared with another, and he manifestly failed to do so. An important issue is at stake here which affects many poor people, and he should explain why the Government are prepared at some cost to inflation-proof the gains made by a tiny proportion of society and to do nothing for teachers, nurses, civil servants and many other public servants. Not only does the clause require a general justification of that kind, but it needs rather a special justification these days. After all, it could better be argued in the past that the main source of capital gains was inflation but now, and perhaps only

recently, returns on investment might be regarded as real returns rather than inflationary gains. Therefore, one could say that the Government, in introducing a clause such as this which has as part of its purpose to protect capital against inflation, are doing it at just the wrong time. They are doing it when people are making real returns rather than merely inflationary gains.

The Government cannot have it both ways, of course. They cannot say on the one hand that they have conquered inflation and on the other that they need to protect capital gains from the ravages of inflation. They have to go for one line or the other. They cannot have both at the same time.

The Government might well argue that they are out to promote wider share ownership and therefore they must protect such shareholders from an overbearing tax burden. They want direct investment in equities by individual shareholders in their own right and as a substitute for investment through financial institutions. The Government might argue that reductions in capital gains would stimulate growth in the number of small shareholders which, of course, the Government have stated as their purpose. However, since no tax is payable on gains in any one year of up to £5,900 after the Budget, and exemptions are available for unit and investment trusts, the prospects of any small shareholder being liable for capital gains tax directly or indirectly are very remote. Therefore, small shareholders will not gain particularly from the clause because they are unlikely to be liable for capital gains tax anyway.

The hon. Member for Kensington, in an honest and open speech, made the important point that the Government are nibbling away at capital gains tax. I think that some members of the Government would very much like to abolish capital gains tax at one fell stroke, but instead the Government, perhaps because that would be too obviously a favour to the better off in society, have decided gradually to reduce the impact with the various changes that they have made, including clause 64. Indeed, there are — although the Chief Secretary, I am not surprised to notice, did not outline them — good arguments for having capital gains taxation, and it is worth while mentioning one or two of them. It is important to keep the general principles in mind before we get lost in the details of a complicated clause such as this.

Many would say that there is nothing wrong with stock market speculation and that it provides a valuable financial function in a free market. They might go on to say that, although it has that kind of function, there is no need to give speculators what amounts to a substantial tax incentive to play their chosen role. One might continue the argument by saying that if investors are allowed to make capital gains tax some kind of optional tax and to accumulate a tax credit by establishing short-term losses —which, indeed, is the sort of thing that can be done under the indexation rules in clause 64—then the whole of capital gains tax would become a farce, yielding no revenue. If that were the end product, it might be cheaper and more sensible to have no tax.

4.45 pm

A capital gains tax does not discourage investment. The right way to encourage investment is not to be soft on capital gains but instead to have a sensible and effective regime of capital gains tax. Such arguments will be put forward for having a capital gains tax. Indeed, they were put forward by the Chancellor in *The Sunday Telegraph* in 1962. I wish that he had stuck to the principles that he there set out clearly and rather well instead of abandoning them and taking up some of the options which he so clearly decried in that article, especially the one about establishing short-term losses, thus making the whole tax a farce. It is a pity that he did not stick to his earlier principles because then we would have a fairer tax regime than we shall have after the passage of the Bill.

The changes in capital gains tax are designed to benefit the better off. Some of them already find a capital gains tax useful — and I am aware, of course, that the Government have eliminated one of those with the bond-washing measures that have been introduced—because it is convenient to take returns in the form of capital gains taxed at 30 per cent. with a threshold of £5,900 a year and indexation rather than taking returns as income taxed in full at up to 60 per cent. Therefore, the structure of capital gains tax already gives a clear incentive to seek capital gain rather than income, and to choose equity investments rather than deposits or gilts. But incentive already existed before the changes in the Budget and, apart from the bond-washing proposals, the Budget has done little to alter that.

The kind of people who benefit from the changes proposed in the clause are not the small shareholders or the people on average or below average incomes; they are portfolio investors, wealthy individuals with a share portfolio. The changes will also benefit corporations with liquid resources which would themselves take out portfolios as investments. The indexation will reduce chargeable gains generally and will reduce the tax base for such companies. Those who will benefit from the changes in the clause are therefore a fairly small minority of the population and certainly to be numbered among the better off. To them the Government propose to give more money, and to do so at great expense.

Although I do not agree with the amendment, I think that the hon. Member for Kensington rightly made the point that the measures are complicated, and they will certainly be complicated to administer. Not only will they lead to a growth in the activities of accountants and others, but they will also increase the activities of the Inland Revenue staff. Extra staff will probably be required to be taken on by the Inland Revenue as a result of the clause. I suggest the following figures, and it will be interesting to know whether the Chief Secretary agrees with them. The increases in staff will probably begin not before April 1987. They will lead to an increase of 190 in that year, 360 in the following year and 455 in the year following that. Thereafter, the figures of extra staff required will probably begin to decline somewhat.

It is difficult to estimate the costs of the extra staff, but undoubtedly they would have to be staff at a fairly high level—tax officers or inspectors. It would not be cheap. At the current salaries, they would probably cost the Revenue about £10,000 in salary plus the additional expenses of employment. The tax change is expensive to administer. The Opposition would not necessarily object to the employment of more staff, and we would certainly not object to the employment of higher grade staff, but we object to the fact that the Government are introducing a measure which will cause more staff to be employed by the Inland Revenue to give money to those who do not need it—the better off.

The changes follow the watering down of capital gains tax, which took place under the previous Chancellor of the

[Dr. McDonald]

Exchequer. In 1980, there was a big increase in the gains exemption, from £1,000 to £3,000. The benefit was extended by no longer withdrawing the exemption from those whose gains were obtained at above that level. The allowance was bumped up again in 1982 to £5,000, and increased each year thereafter in line with the retail price index. In 1982, the previous Chancellor began indexing the CGT base, but the changes that he proposed and that were passed pleased nobody. They were complicated and difficult to administer. All the changes have, at least in the long term, reduced the amount of revenue which can be expected from CGT to a quarter or less of what it would otherwise have been. Therefore, this nibbling away at CGT has reduced the amount of revenue that the Government can expect from it.

The Chancellor in his 1985 Budget continued that process with the indexation provision and with the introduction of the pooling of assets provisions. There is no need for me to go into detail because those provisions are spelt out in the clause and schedule.

The Chief Secretary said that the Chancellor had now reached an acceptable form of CGT, and that it would be unlikely that any further changes in the form of capital gains tax would take place. He may be right. Few further changes are needed if the *Financial Times* was correct in saying:

"Very few private investors will ever again have to pay capital gains tax, as a result of the changes announced on Tuesday."

The *Investors Chronicle*, which was more anxious in welcoming the changes, said of them:

"Most significantly they mean that CGT for all investments made after March 1982 is now a tax on real net gains, an important step forward."

I can understand the qualified welcome that the *Investors Chronicle* gave to the changes. Its comments show the extent of the Government's changes.

The pooling provisions mean that, as more shares are bought, the latest pool increases in size and value, and eventually investors will have only one pool—the post-1982 pool. Given that the overall upward trend in share prices—that has been true for the past two years—is averaged out, the CGT payable on the disposal of shares is less than it would have been if the pooling arrangements had not been introduced. In other words, both the indexation of changes and the reintroduction of pooling contained in clause 64 mean that the amount of revenue that the Government can obtain in future from CGT will be far less than it might otherwise have been. For that reason, it is easy to see why the Chancellor says that the tax is now on a broadly acceptable and sustainable basis, and why the Government have delighted all but their greediest critics.

Amendment No. 12 was designed not to iron out anomalies, as its proponents said, but to allow the March 1982 costs to be used in place of the historical cost so that the entire gain accruing before March 1982 would become tax free. It is easy to see the benefits that would follow from such a change, and why the Chief Secretary suggested that the cost of that would be immense. Obviously, the benefits from such a change would have particularly favoured property companies, for example. The Government have certainly pleased many of the better off, but it is plain that they can never give enough to keep some of them happy.

One or two features of the changes that the Government have made in clause 64 may mean that they will be more generous than they had intended. Perhaps the Chief Secretary would comment on that. Compound indexation is now possible under the rules.

Let us suppose that one has a holding in securities in a company called Blacks, and one bed and breakfasts one's shares each year. Every time one sells, one receives the benefit of that year's indexation because one buys back at a higher price—inflation plus any growth in the value of Blacks' shares. The following year's indexation allowance is based on a percentage of the new acquisition costs, not the real costs to the owner of the shares. No real extra costs are incurred in the buying and selling that takes place. At present, nothing in the clause or schedule prevents a benefit from compound indexation of that type.

I ask the Chief Secretary to consider a further case. Let us suppose that a portfolio now worth £50,000 was bought in 1984 when the *Financial Times* all-share index, which I am using, was 102 points below its present level. The indexation allowance based on the March retail price index figures gives a real gain in one year of 70 points. The portfolio is now worth £50,000 and was valued in May 1984 at £41,892. That is a difference of just over £8,000. The indexation allowance amounts to £2,549 and the exemption level is £5,559. The capital gains tax indexation allowance in clause 64 and the annual allowance will allow a £50,000 portfolio to be bed and breakfasted every year without CGT liability.

5 pm

I am not sure whether the Government intended the changes to produce such an effect. If they did, the changes will benefit the better off alone in the community. Not many of my constituents have portfolios of £50,000 that could be treated in such a way. If they intend the change to have that effect, they are being wrongly over-generous in these apparently straitened times by allowing the better off to pay no tax. If they did not intend such generosity, they should introduce amendments to tidy up the provisions of clause 64 and schedule 16, because at present they contain nothing to prevent that from happening.

The Chief Secretary will be aware that as soon as the Government introduce such a measure, and the other anti-tax avoidance measures contained in the schedule, the tax-planning industry goes to work to find other loopholes. I draw his attention to "Gremlin Corner"—it is aptly named—in the 4 May 1985 edition of *Taxation*, which states on page 87:

"Another tax planning point is that it will be possible to create . . . an artificial allowable loss by purchasing a high-coupon gilt and selling it within the year (but after 27 February 1986). Even if the purchase and sale prices are the same, indexation allowance will create a capital gains tax loss. This stratagem is likely to appeal to institutional investors and individuals paying income tax at 40 per cent. or less."

They are not the most well off in society, but they are among the better off. What action will the Government take to prevent that tax avoidance? We wish to hear the Chief Secretary's views on that point.

By introducing the changes in capital gains tax, the Government are helping exactly the same people as they helped last year when they abolished investment income surcharge. That benefited people with investments of £75,000 or more—again, not many of my constituents have £70,000 tucked away in investments. We were told

that the full-year cost of that would be £360 million. Immediately after that Budget, *The Times* described the abolition of investment incomes surcharge as

"A tremendous bonus for the rich, and especially the idle rich."

The cost of that change, together with the £155 million that it will cost to introduce the changes in clause 64, would be just enough to cover the payment of long-term supplementary benefit this year to those who have been unemployed for more than a year. That would cost the Government £500 million, but I bet that if we asked the Chief Secretary now whether the Government would be willing to benefit the long-term unemployed in that way, he would say, "We do not have the money to do that. We cannot possibly make such a change, because we do not have £500 million in the kitty." Yet the abolition of the investment income surcharge and the changes in capital gains tax could easily cover the payment of much-needed benefits to people who are not among the idle rich, but who have been forced by the Government to be idle. For that reason, we oppose the presence of the clause in the Bill.

Mr. Michael Stern (Bristol, North-West): Unlike the hon. Member for Thurrock (Dr. McDonald), I welcome the presence of clause 64 as a necessary relieving provision. I shall address my remarks to subsection (5).

I especially welcome subsection (5) because, without it, the clause would have provided for the creation of a new Doomsday Book at March 1982. It would have been necessary, on any future capital gain, to agree with the Inland Revenue a value at March 1982. I welcome the inclusion of the provision that the taxpayer must make a claim before the new provisions can operate. Such a provision will ensure that many taxpayers will not have to bear the expense of establishing a value at 1982 to claim what may, especially as a result of the Government's partial success in reducing inflation, be fairly limited relief.

The fact that the new provisions will operate only following a claim by a taxpayer will ensure that the compliance costs inherent in the clause will be limited. At the same time, the benefit of the relieving provision will go where it is most needed.

May I ask my right hon. and learned Friend to clarify the status of a claim under subsection (5)? Is it irrevocable, or can it be withdrawn at any time? I have a special reason for asking that question, because I must contrast the relieving provision in clause 64 with what was admitted to be a relieving provision in the 1965 legislation that introduced capital gains tax. The then Labour Government saw clearly that the operation of capital gains tax would be grossly unfair—it was grossly unfair anyway, given the inflation that they later created—to those who had old assets that fluctuated markedly in value. Therefore, they introduced a provision for valuation at April 1965, but it was introduced only on the basis of an irrevocable election by the taxpayer.

The result was that a taxpayer who owned an asset such as jewellery, a painting or land, which was a chargeable asset that he had sold and which fluctuated in value over the years, was given, not a relieving provision but a ticket in a lottery. The result of the lottery was that he entered, and could end up paying substantially more tax as a result of entry, or he did not enter and wondered what would have happened had he entered.

If the claim under subsection (5) is irrevocable, in some circumstances exactly the same effect could occur. The taxpayer could elect for the indexation provisions to apply and could then discover that, as a result of the opinion of the district valuer, which could be upheld by the courts, the value of his asset at March 1982 was considerably lower than it originally cost.

I take it that the intention of clause 64 is not to penalise the taxpayer, but to compensate him for inflation. Therefore, it would seem rather unfair if, as a result of the provision, the taxpayer ended up paying more tax, particularly when such additional tax liability would be based solely on the opinion of one or more valuers.

The evil that I have outlined could have been dealt with already in the clause. If my right hon. and learned Friend the Chief Secretary can assure me that a claim made under subsection (5) can be withdrawn at any time prior to determination of the capital gains tax assessment for the year, even my slightest doubts about the clause will be immediately withdrawn. If, on the other hand, it is intended that a claim under the clause should be irrevocable, I should like to draw my right hon. and learned Friend's attention to the possibility of bolstering the relieving provision by introducing what is known in the Department of the Environment as a cost floor. As a result, the valuation arrived at after a claim under subsection (5) could be no less than the actual cost of the asset. In that way, my right hon. and learned Friend would ensure that the clause achieved what I understood it originally set out to do, which was to provide a measure of tax relief where it was needed rather than an arbitrary tax charge in certain cases.

Mr. Austin Mitchell (Great Grimsby): I am not quite following the point made by the hon. Member for Bristol, North-West (Mr. Stern). It seemed like a piece of special pleading. I smelt a Rees about half way through his speech.

If the hon. Gentleman was saying that the backdating to March 1982 does not apply unless there is a claim so capital gains is charged on the whole increase in value since the date that the asset was purchased after 1965—in other words, the consequences of the two great inflations, that of Labour and that of the Conservatives — it seems a little mysterious. Perhaps the Chief Secretary will explain when he winds up. Does it mean that the taxpayer has to claim that the gain measured is only since March 1982 for it to be the operative gain? If not, is he then assessed on the whole gain accruing since the date of purchase?

Mr. Stern: If the hon. Gentleman reads the clause, particularly subsection (4), he will find that the indexation allowance dealt with under the clause is indexation of a valuation at March 1982. Subsection (5) brings in valuation at March 1982 whereas the existing law provides for indexation on original cost.

Mr. Mitchell: Surely that means a Domesday assessment of what valuations were at 1982. I was making the point simply to show the difficulties under which some of us in the Opposition, particularly myself, labour when dealing with such a measure. For me, it is extremely complex and difficult to follow. That is why the Government have been able to get away with so much. Such a change in the legislation brings about quiet, back-pocket giveaways. It is difficult for the non-accountant and

[Mr. Mitchell]

non-specialist tax person to understand it. Conservative Members are away making the money while the Government slip money into people's back pocket, with the capital gains that will be sanctioned under the measure. Mum's the word. I suppose that the message is, "Mother sent the money." In the meantime the rest of the country is not clear about what is going on. It is another of those back-door giveaways carried through under the guise of complex legislation, with no warning to the country as to exactly what is going on. That is why I have worn trousers of this bright colour today, to express my opinion of the legislation and the basic principle behind it—it stinks.

5.15 pm

Clause 64 takes more of the teeth out of capital gains tax. In a sense, it might be a measure of the Government's political menopause, a confession that the fight against inflation is not over, but certainly lost. If the Government are to index gains, they are admitting that inflation is about to accelerate, as most of the figures seem to show. No more can they give us the stern imperative, "Don't worry about the taxation of inflationary gains because we are bringing down inflation, thanks to the brilliant success that we have had." It has been a success in ruining the economy. That struggle has now failed. Our inflation rate is still higher than that of our industrial competitors, certainly higher than the rate in countries with which we are competing most directly. Our unit costs are going up more rapidly, and the Government are seeking to cushion the effects of that failure for their supporters by the change in capital gains tax. The Prime Minister is obsessed with fighting inflation and with the value of sound money. She wants it sound because she has more of it than most other people.

The indexation provisions cost about £10 million and the giveaway costs £155 million. Those are substantial sums, given to a section of the population that has no claim to that money and does not deserve it. It could be used for other more important and, from the point of view of economic development, more useful purposes.

On whose behalf is the measure being carried through? An interesting example is given by *The Economist* on 23 March 1985. Joe Bloggs bought a second home in 1975 —presumably in Wales, so that he could keep warm in the winter. It cost £30,000. He sold the house in 1985 for £100,000, realising a gain of £70,000. Supposing that retail prices have trebled since 1975, and have risen by 15 per cent. from March 1982 alone, before the Budget the man would have subtracted for inflation only £4,500, which is 15 per cent. of £30,000, bringing his taxable gain to £65,500. Supposing his house was worth £80,000 in 1982, he would subtract £12,000, reducing his taxable gain to £58,000. If he had no other capital gains to eat up his allowance, now increased to £5,900, he would pay £15,630 in capital gains tax, which is £2,250 less than under the old system, and substantially less than it would have been under our system. Inflationary gains should be taxed.

That is an example of a person with a substantial profit on the sale of his second home. One might also make a substantial profit on the sale of shares. Such people benefit by the measure. It is an interesting reflection of the attitudes and perceptions of the Government. They are deaf to the pleas of the sections of society who have been hardest hit by the unemployment and depression that the Government have generated. They are deaf to the pleas of the disabled and the charities. They are deaf to the pleas of the unemployed and the pensioners. However, they are ever alive and alert to the pleas of the small section of people who benefit massively from such measures.

The Chancellor talks about capital gains tax now being "on a sustainable basis". He means "on a declining basis". A chart in the capital gains tax revenue forecast by the Institute of Fiscal Studies shows, on the basis of the measure, even more than on the basis of the 1982 measure, a substantial and steady falling away in the revenue from capital gains tax. Even on 1984-85 prices, there will be a substantial and steady falling away in capital gains tax revenue after this year. By the 1990s, it will be down from the present levels to about £600 million. By the turn of the century it will be down to £400 million at 1985 prices.

The Government are literally taking the teeth out of the capital gains tax by this clause, which is why we should oppose it. It is a particularly tawdry part of a tawdry Budget. Perhaps the Chief Secretary can tell us the scale of wealth of those who will benefit from this measure, and what effect it will have on incentives. The Government are constantly telling us about incentives, but this is a gift to those who have, and has nothing to do with incentives for business or for those who put money at risk for the growth of the economy. It is a giveaway to people with substantial sums of money, second homes and shareholdings. Will the Chief Secretary give us examples of the people who will benefit from this measure and explain what benefit that will bring to the economy and to incentives generally?

This Budget is only a pathetic half-measure, but the fact that it is cautious and restrained does not mean to say that the giving has stopped. It goes on, but at a lower level and to a narrower class and a narrower section of society—the giving slows down. What does it have to do with improving the real wealth and the dynamic strength of the British economy and bringing jobs to our people? It is shovelling money into the pockets of the well-off.

Mr. John Watts (Slough): I understand the wish of the hon. Member for Thurrock (Dr. McDonald) to introduce teachers' and nurses' pay into the debate on capital gains tax, but the relevance and the logic, if there were any, of the argument were lost. It is a misconception that pay increases at or above the level of inflation provide any long-term protection against the effects of inflation. Experience suggests that such a process has the effect of stoking up inflation to the detriment of all, but particularly to the detriment of those on fixed incomes.

Seeking to ensure that capital gains tax is levied only on real gains and not on inflationary gains, which erode the underlying value of chargeable assets, has no such inflationary effect. Therefore, I welcome the measures in clause 64 to extend relief against taxation on inflationary gains. The Labour party would like to see a tax that should be described not as capital gains tax but rather as inflationary gains tax. With its appalling record in government of high inflation and its desire to impose ever higher capital taxation, one can see the attractions of the two. If a Labour Government could stoke up inflation and then heavily tax capital on those inflationary gains, they would have a strong source of revenue but not a moral one.

Like my hon. Friends the Members for Tatton (Mr. Hamilton) and for Kensington (Sir B. Rhys Williams) I am sorry that it was not possible this year to go further in

providing fuller indexation relief against inflationary gains for capital gains tax purposes. However, I recognise the need to make choices in the Budget judgment about how the limited resources available for tax relief should be deployed. I have made it clear on previous occasions that I believe that the choice of concentration on national insurance contributions and over-indexation of income tax thresholds were the right priorities this year.

However, I hope that my right hon. and learned Friend the Chief Secretary will not close his mind to the possibility of extending the indexation allowance in later years. It could be done on a creeping basis by moving back to 1981 then 1980 and so on. If he cannot be persuaded on that, it could be done on a time exemption from capital gains tax, which would provide a more simple basis for the tax, and one that would not be too inequitable.

Mr. Mark Fisher (Stoke-on-Trent, Central): The title of this clause sounds modest — "modification of indexation allowances". That sounds an innocent proposal, but having listened carefully to the admirable and lucid exposition of what it implies from my hon. Friend the Member for Thurrock (Dr. McDonald), I begin to understand that this is not the simple measure implied by its title.

The principle of inflation-proofing or indexation is not anathema to Labour Members. We are in favour of it when there is obvious cause and justification, for instance in indexation of benefits. There is not a philosophical divide but a pragmatic divide, which is on whether this form of indexation will be either effective or desirable, and whom it will affect and profit. This is not similar to the indexation of benefits.

There is a good case for indexing at times of high inflation, but we are constantly being told by the Government that this is not a time of high inflation and that they have cured inflation, and it seems a strange moment for the Chief Secretary and the Chancellor to introduce such a proposal. There have been higher stages of inflation under the Government, but they choose now to introduce something that would protect investors, perhaps with some justification, from the ravages of high inflation. However, this is being done at a time when, although inflation is rising again, it is rising from a fairly modest base at a fairly slow rate. It remains to be seen whether that will continue.

Mr. John Maples (Lewisham, West): I am glad that the hon. Gentleman has conceded in principle the idea of indexation. He has said that now inflation is low, the proposals are not necessary, and somebody who had bought an asset after inflation fell will benefit little from the indexation proposal. However, a good many people purchased their assets in the 1970s and have had a considerable amount of inflationary gain that would be taxed as a capital gain. Protection is still needed for them.

Mr. Fisher: It is strange to do this now, when the Government could have made a more effective and urgent case for it at other times. I take the point that we are including in this measure assets that reflect back to a period of a lower base.

The Committee should be concerned with the financial effect of clause 64. My hon. Friend the Member for Thurrock quoted from the *Investors Chronicle*, and made it clear that some individuals—we should remember that these are well-off individuals, whose gains will be well over £5,000 in any year—may be paying less tax. Will the Chief Secretary confirm that this is the case? Is it true that the typical investor who makes gains of £6,000 a year on his investment income will be paying less tax? The Committee would benefit from clarification of those points, or confirmation.

Will the Chief Secretary confirm that the yield for the Treasury will fall, and will he specify what the fall in revenue yield resulting from this provision will be? Will it be more or less expensive to administer this? Hon. Members on both sides of the House recognise that capital gains tax is an expensive tax to collect. I suspect that the fairly long and technical provisions of the Bill will make it a great deal more expensive. Will the Chief Secretary include in the net gain, to the Revenue—or loss as I fear it will be—the figures for increased administration costs, if there are going to be some?

The hon. Member for Tatton (Mr. Hamilton) and others have said that this measure could have some effect on the incentive to invest and to take risks on the stock market. We have constantly urged the Government to take more steps to encourage greater investment in the future of this country in both tangible and intangible forms, so the desire for greater investment is common to both sides. What we want, however, is more investment in good projects. We want good and intelligent investment. By indexing losses and allowing marginal gains to be turned into losses, this measure will effectively reward unfortunate and ill-judged investment. Is that really the intention? Will the Chief Secretary explain why those provisions are included in the clause? Both sides wish to encourage good investment, but we do not wish to encourage poor or faulty investment.

5.30 pm

I hope that the Chief Secretary will also address himself to the fact that only very wealthy, large-scale investors will benefit from the measure. The Government are always telling us how much they wish to encourage small investors through the sale of British Telecom and the proposed sale of British Gas. If the Chief Secretary is honest, however, he will confirm that this clause is utterly irrelevant to any widening of the base of individual investment in companies in this country and will benefit only the well off who already invest in shares. I hope, therefore, that the right hon. and learned Gentleman will not try to argue that this is an incentive for new investors. Anyone in a position to benefit from it—that is, anyone making more than £5,000 per year in capital gains—is almost bound to be investing in the equity market already, so I hope that the Government will not try to imply that this is all part of their move to widen individual share portfolios.

The question is whether the provision will be effective even as an encouragement to those who are extremely well off and already invest. Recent history shows that in the past 10 years private investors have to a large extent failed the country in terms of investment in United Kingdom shares. In replying to the first amendment, the Chief Secretary referred to the substantial investment in United Kingdom land in the early 1970s, which drove up land values for both agricultural and building land. I suspect, however, although I do not have figures to prove it, that the individual investor has not done well by this country in terms of investment in manufacturing industry and the *Financial Times* index generally. Indeed, I suspect that a

[Mr. Fisher]

considerable proportion of the £40 billion capital outflow from this country has been the result of investments by very wealthy individuals.

I hope that the Chief Secretary will give figures to show the significance of individual investors in our equity market, as I suspect that the percentage of the equity market taken up by individual shareholders is very low indeed. Perhaps the right hon. and learned Gentleman will also tell us how many individual investors will benefit from the clause.

The hon. Member for Tatton referred to the encouragement that the clause would give to greater mobility of investment. I hope that the Chief Secretary will comment on that. I do not know a great deal about the stock market, but I should have thought that, above all, companies seek stability of investment. Those which have performed very well in the past 10 to 15 years seem at a cursory glance to be those with a stable, steady investment base—Marks and Spencer, for example—because they know what their level of investment and security has been, rather than those which have been the subject of wild speculation and have gone up and down. Perhaps hon. Members who are more expert in these matters will confirm that mobility of investment and frequent switching of investment does not benefit British industry. If the clause is designed to encourage that, as the hon. Member for Tatton suggested, is it really a good thing?

I am very confused about why the Government want this change at all. Will the Chief Secretary tell the Committee how effective the present tax situation is? Does he have figures showing capital gains tax as a percentage of all capital gains made in any one financial year? I suspect that the effective rate of tax as a proportion of capital gains is very low. I believe, as I am sure do Conservative Members and tax lawyers throughout the country who are experts on these matters, that the complexities of the tax make it relatively simple to avoid even without these indexation provisions. If the Chief Secretary has figures for the effective rate of capital gains tax, the Committee would be very interested to know them.

If capital gains tax is effective—I fear that it is not—why should the Government seek to change it? If it is ineffective but the Chief Secretary believes that there is validity in it, surely he should tighten and not loosen the tax. The Government are moving in entirely the wrong direction. The clause is not the moderately worded measure that it appears to be from the title in the margin of the Bill. As my hon. Friend the Member for Great Grimsby (Mr. Mitchell) has said, it is an example of the Government being extremely sensitive to the supplications and vested interests of those who are already very well off. Although we all want to improve performance and investment in manufacturing industry, I doubt whether the Chief Secretary can prove that these changes will benefit manufacturing industry in this country. These changes will merely benefit those investors who are very wealthy already. For those reasons, I am confident that Opposition Members will vote against the proposal.

Mr. Peter Rees: The hon. Member for Stoke-on-Trent, Central (Mr. Fisher) made a characteristically speculative intervention. He queried whether this was a modest clause. The most powerful evidence of the modesty of the clause came in the powerful speeches of my hon. Friends the Members for Kensington (Sir B. Rhys Williams) and for Tatton (Mr. Hamilton) and in the amendment in the name of my hon. Friend the Member for Croydon, South (Sir W. Clark) which they supported. My hon. Friend the Member for Slough (Mr. Watts) also pressed us to go further.

There is clearly a divide between Members on the scope and importance of the clause and it is perhaps a deep philosophic divide. That was the tenor of many speeches from Opposition Members. They may not attach so much importance to private property or to the operation of the capital market and private investment in the British economy as we do.

The hon. Member for Stoke-on-Trent, Central asked how many people would be affected and what would be the width of these changes. The best I can say is that the changes will affect about 120,000 people and institutions within the area of capital gains tax, corporation tax and chargeable gains.

I was asked about the current yield. If one takes capital gains tax, which is the tax on individuals, and corporation tax on chargeable gains, it is just about the £1 billion mark. The tax likely to be forgone is of the order of £155 million. That, I would have thought, amply demonstrates the modesty of the clause.

The hon. Member for Thurrock (Dr. McDonald) advanced a theme which seemed to find favour with several of her hon. Friends. They said that this would benefit a very small, privileged section of our community. That was the thrust of the case made against the clause and the schedule. That is an extraordinary proposition—that equity is to be denied to those who have a certain amount of capital assets and is to be reserved only for those who are not likely to be within the charge to capital gains tax. If there is a case for equity—and I shall demonstrate that there is—it applies just as surely to those who have capital assets as to those who do not. We can debate whether there should be a tax on capital gains, but I hope that there will be unanimity in the Committee that where the tax goes a little further, and because of the ravages of inflation, particularly in the 1970s, it bites deeply into gains which are largely inflationary—I take account of the point made by my hon. Friend the Member for Kensington — we should, so far as possible, try to eliminate those inflationary gains.

I have searched the powerful debates in 1965, when long-term capital gains tax was first introduced. I cannot attribute to the Labour members of the then Treasury Bench the intention that it should bite on inflationary gains. I should like to think that what we did in 1982, and what I am commending today, is in harmony with the underlying concept of the tax as it was introduced in 1965.

From the Opposition's contributions to this debate I am led to suppose that the Labour party has perhaps changed its philosophic approach. We have not heard a great deal about the Opposition's plans for capital taxation, and it would have been helpful had the hon. Member for Thurrock — speaking with all the authority of the Opposition Front Bench—told us what kind of capital taxation system they would have devised had they been in power.

It is a rather one-sided debate if we are purely defending the ameliorative measures that we are introducing without knowing what is in the Opposition's mind. They have been very frank on the basic philosophy and are saying that

equity should be reserved for those who are not likely to be within the charge of capital gains tax. They seem to be suggesting that, in relation to capital taxation in the fiscal sector, equity is as dust in the balance.

Let me give some of the underlying figures to explain why we believe that this modest clause—over-modest to some of my hon. Friends—is long overdue. In the 20 years between 1965, when capital gains tax was first introduced, and 1985, the retail price index has risen by 535 per cent. It is worth pondering that sombre figure because it indicates the extent to which so-called chargeable gains subject to capital gains tax contain a very large inflationary element. In a philosophic or economic sense they do not represent true gains — they are inflationary gains. If one believes in a properly operated capital market and that people should be encouraged to save and invest in this country, this is a problem to which any Government are bound to address themselves.

5.45 pm

The hon. Member for Thurrock made a powerful speech and asked many questions with which I shall attempt to deal, but she and her hon. Friends have not faced this essential question. The hon. Member for Stoke-on-Trent, Central should have done so, because he said that the private investor had failed this country. He also made the extraordinary proposition that we should encourage good investments and discourage bad ones. So say all of us, whether we speak from the Treasury Front Bench or as private investors! We all want good investments.

Does the hon. Gentleman take this a stage further and argue that we should deny loss relief to those who have made unfortunate investments? Of course we all want good investments in both a private and public capacity, but the hon. Gentleman must recognise—I am sure that he has devoted his keen intellect to this problem — that there is a risk dimension to investment.

After all, our great economic institutions often started as small risky enterprises. Had the Opposition's philosophy prevailed—thank heaven it did not—there would not have been very much investment to nourish those great institutions. There may be an opportunity in the Committee to hear from the Opposition how we should encourage good investment and identify it. When the hon. Member for Stoke-on-Trent, Central has told me, I shall no doubt profit from his advice and will be able to see how I can translate his views into practical legislative form.

While recognising the imperfections and weaknesses of our judgment in this area, we think it is fair to cream off a modest amount of real gains for the state and to afford relief for real losses. That is the underlying philosophy behind the clause. I have given the expense, but that is a fair price to pay to try to reduce the charge to what I believe was the Labour party's real intention when it introduced capital gains tax in 1965. It could, dare I say it, have thought a little bit more about the detail. On some other occasion we shall no doubt be privileged to hear what the Opposition's long-term plans are for the future. We want to know how far they have advanced beyond 1965.

The hon. Member for Thurrock and the hon. Member for Stoke-on-Trent, Central asked about administrative costs. That is a pertinent question. The hon. Lady gave a figure of 460 by 1989, whereas I would suggest 455—but what is five between both sides of the Committee? This may seem an increase in the administrative burden to Somerset house. The Economic Secretary will shortly commend the abolition of development land tax, and there is a point which may just change the hon. Lady's mind on whether to press abolition of DLT to a Division. That will release about 250 people expert in the valuation of land and buildings who will be available to take on that role in relation to capital gains tax.

Mr. Fisher: Will the Chief Secretary confirm that this is already a very expensive tax to collect and administer? Is it really wise to introduce changes to that tax which make it still more expensive to administer? Notwithstanding the fact that savings will be made elsewhere in the Finance Bill and that 200 staff will be released to deal with this, the Minister seems to be putting additional expense on a tax which I am sure he will concede is one of the most expensive that the Treasury collects.

Mr. Rees: Perhaps the most expensive is development land tax, but the Economic Secretary will give the full figures in a moment. The hon. Gentleman is absolutely right. This is not a very cost-effective tax, particularly when one takes into account the compliance cost of the individual taxpayer. The Committee should always bear that dimension of our fiscal system in mind, and should ask whether we are placing an unfair burden on individual taxpayers. As the hon. Member for Stoke-on-Trent, Central will know, we do not allow tax relief for professional advice. The Government must always reflect whether this is over-complex and upon the administrative burdens that we are placing on the Inland Revenue. As Chief Secretary, I am deeply conscious of that point. I am charged with overseeing the costs of running the Government, if I may put it that way. The hon. Member for Stoke-on-Trent, Central is absolutely right. We have to be sensitive about compliance costs as they affect the individual taxpayer.

I should like to pretend that this will result in massive simplification. However, when I contemplate schedule 16 I do not put that forward as the paramount reason. The real conclusion to which the hon. Gentleman's shrewd questions drive me is that possibly capital gains tax ought to be abolished altogether. I do not know whether he wishes to impel me in that direction if he is serious about simplification, the reduction of the administrative burden and compliance costs. I have probably taken the hon. Gentleman's arguments a little further than he intended. Nevertheless, he may care to ponder that point.

The hon. Members for Stoke-on-Trent, Central, for Thurrock and perhaps for Great Grimsby (Mr. Mitchell) asked about the small taxpayer. The Committee recognises that the Government have increased the threshold to £5,900, which will take the small investor out of capital gains tax liability. If a beneficent Conservative Government continue to preside for some time over the economy it is possible that the small taxpayer will not be brought back within liability to capital gains tax. To return, however, to the philosophical point, I hope I carry my right hon. and hon. Friends with me when I say that I believe that the large investor is just as entitled to equity as is the small investor.

Mr. Fisher: Equity is what he has already got.

Mr. Rees: This is a play on words. I appreciate the hon. Gentleman's wit. He knows that he is dragging a

[Mr. Rees]

rather malodorous red herring across my track. The hon. Member for Thurrock asked me a shrewd and complicated question about an investment in Black and company. It is not for me to advise the hon. Lady on her investments. Professional advisers formerly went away and reflected upon Finance Bills after they had become law in order to advise their clients. Now, it seems, they are to obtain free advice from the Opposition Front Bench. We live in stirring times. This will enliven our debates in Committee. If I understood the full complexity of the hon. Lady's bed-and-breakfasting scheme, which would continue for a period of five years, the tax result would be the same. However, if the hon. Lady chooses to bed and breakfast year after year she will get her relief or pay her charge a little earlier. When I have read the full report of this debate in *Hansard* I may find that I have not fully appreciated the subtlety of her scheme, in which case I shall write to her and make my reply public. I should not wish the outside world to be misled either by my advice or by hers.

Since we are dealing with technical points, may I say that my hon. Friend the Member for Bristol, North-West (Mr. Stern) put forward a very important point about a claim for relief. He was absolutely right to fasten upon this point. We do not wish to saddle the taxpayer with a burden which he may be unable to foresee due to valuation eccentricities. Provided that the assessment has not been finally determined and that revocation does not take place within the period of two years during which a claim can be made, it can be withdrawn.

As for the hon. Lady's interesting technical points, she raised matters which have been canvassed in both the *Financial Times* and the *Investors Chronicle*. The tax is broadly in a sustainable and acceptable form. If, however, imperfections are revealed we shall be ready to look at them if they disadvantage either the taxpayer or Somerset house.

Sir Brandon Rhys Williams: Is it recognised by the Treasury that there is an imperfection in the tax, in that it still remains a levy purely on an inflationary gain?

Mr. Rees: As my hon. Friend will recognise, it will not be a levy on future inflationary gains. However, total relief will not be offered for pre-1982 inflationary gains, and that is a matter of profound regret. The full cost of the amendment supported by my hon. Friend would be £550 million. Although the whole of that figure does not represent inflationary gains, a large proportion of it—about three fifths—is represented by such gains. I take my hon. Friend's point, and as I say it is a matter of profound regret.

To return to the point made by the hon. Lady, the suggestion has been made that the indexation provisions could be used by those seeking to establish a short-term capital gains tax loss on gilts and other debt instruments where counterbalancing gains do not normally arise. If the Government were to conclude that countervailing action was necessary, we should be prepared to introduce amendments at a later stage. I hope I have reassured the hon. Lady that it is no part of our philosophy that anything the Government do should contain imperfections of that kind.

This has been an interesting debate. It has ranged from points of fine detail to points of high philosophy. I hope that at the end of the day the Committee will be persuaded by the equity argument: that this tax should bite on real, not inflationary, gains. Whether a person has £70,000 worth of investments, or more, or less—I pick on that figure only because the hon. Lady chose that figure and I know exactly why she did so—he is entitled to a broad measure of equity from the tax system of this country. The measure will also encourage further savings and investments and a freer working of the capital markets. This must lead to an even greater and better flow of investment into the manufacturing and service industries. On both counts I hope that the Committee will accept the clause and agree that it does justice to a very important case.

Dr. McDonald: May I deal first with two points of detail before I comment upon the general principle? First, on Black and company, the Chief Secretary has dodged the point and he ought to look at it again. One receives the compound allowance and a greater indexation allowance if one bed and breakfasts every year rather than if one holds for five years without bed and breakfasting. The Chief Secretary ought to examine that example again and introduce amendments to avoid a gain of that kind. As for extra staff and simplification, the class IV contributions would have been reduced from 6·3 per cent. to 5·3 per cent. if the Government were serious about simplification, yet that has not been done. It was made clear by the Financial Secretary in last night's debate on the class IV contributions that 60 extra staff would be required. A figure of over 400 extra staff was given for the administration of capital gains tax.

The Financial Secretary suggested that this increase would be offset by the transfer of about 250 staff because of the abolition of development land tax. We do not support abolition, but because of the Government's majority presumably this measure will be passed. The result is that the Government will still have extra staff, extra expense and more complicated taxes to administer. Those points have not been fully answered by the Chief Secretary.

The Chief Secretary accused us of holding the view that equity should be reserved for those who are not likely to face the possibility of paying capital gains tax. That is not our view. We are committed to a fair tax regime for capital and income. The point is that the treatment should be fair between one group and another. We must face the fact that only those who will make a gain of at least £5,900 in any one year are likely to pay capital gains tax. Moreover, additional allowances are available as a result of those measures. That is far more, just like the exemption limit, than many people in Britain receive as their total gross income in any one year. That is why we want equal and fair treatment for all taxpayers, not just that group with whom the Chief Secretary is so much concerned. We are most concerned that those who have suffered most at the hands of the Government—those on average and below average earnings—should be taxed fairly.

6 pm

As the Chief Secretary well knows, because he has considered these matters for a number of Budgets now, any Budget that is put before the country and Parliament has a number of priorities. Certain inequities might need to be ironed out in some sections of the tax system. The removal of each of those inequities will have a cost. It is a matter of the Government's priorities. The Opposition's quarrel with the Government's priorities is that they

constantly choose to redress what they see to be inequities and injustices in the tax system for the better off. That is why we object to clause 64. The Government continually fail to give priority to those on average and below average earnings, who have suffered at the Government's hands.

At the end of my previous speech I referred to those who benefited last year from the abolition of the investment income surcharge and who will benefit this year from the changes in capital gains tax to the tune of about £500 million. I also referred to the payment of long-term supplementary benefit to the long-term unemployed. In the use of that £500 million, the Government have shown where their priorities lie. It has gone to 120,000 taxpayers who are liable to capital gains tax instead of to the 1·2 million long-term unemployed who are idle through no fault of their own.

It is not that we think that people who pay capital gains tax should not receive fair treatment. Of course they should. We quarrel with the Government's priorities. They will not treat the poor with fairness, justice, consideration and sympathy. That is why we oppose the clause.

Mr. Campbell-Savours: I rise to intervene only briefly because a part of my annual ritual activities in the House is to speak on this matter. We have never in any way managed to influence the Government by any amendment to capital gains tax or capital transfer tax legislation since 1979, when I was elected to the House. The reason is simple: the Government do not want to know. All they want to do is press on with the substantial tax reductions for the better off in society. Once again, the Minister sits in his seat, as he has done for the past three years, and laughs because he finds these matters most amusing. The Government simply intend to press on making these reductions which everyone knows to be quite immoral.

Last week, during the county council election campaign I took a chair and put it on the pavement outside a chemist's shop in Maryport in my constituency. I stood on the chair and set out to explain to my electorate exactly what had happened in the Budget. I went through each of the measures and when I got to taxation I spent a few moments commenting on the reduction in capital gains tax. As I began to explain what had happened, I saw increasing expressions of anger on the faces of the people who were standing across the road listening to my speech.

Suddenly, a motor car came round the corner covered in Tory streamers and a man opened the window, leaned out and told me that I was talking rubbish in addressing my comments to the £150 million allocation to the small group of people in society to whom we have referred today. Suddenly, from the back of the crowd that had gathered around where I was speaking, two eggs appeared. Both of them shot across in front of me and landed on the bonnet and windscreen of the car. The Conservatives protested and drove off.

The point that I am trying to make is simple. When the public learn from Budget debates such as this where the money is being spent, in so far as it is being spent on subsidising the better off in society, they become increasingly angry. The problem that Labour Members have had over the past six years in trying to get that message out of the House.

Last year, during my contribution to a debate on the Budget, I addressed myself to the press lobby. I told them not to refer to me because I was irrelevant, but just to the issue when they reported what happened in Parliament that day. I told them to refer to the fact that in that Budget statement the Government were handing back £280 million in the form of free tax concessions. As usual, none of that reached people outside the House and nobody knew.

This year, in the allocation of time for debates in the Chamber on this year's Budget, we have tried, through the normal channels, to ensure that this debate took place during prime time in the House of Commons so as to ensure that people outside learned what was happening. Once again, we must tell them that on this occasion the Government are now spending a further £150 million—money which is being raised on the back of the deprivation of the great majority of people in British society.

The Minister does not give a damn. He is not interested. He believes that as part of this incentive society, which he is always telling us is at the heart of conservative philosophy, there is a need to interfere with capital taxes in this way. That is a load of tripe. It is a load of old rubbish. We all know that the only thing which motivates business men in this society is the demand for their products. First, the product must be right, and, secondly, a market must exist with a means of distribution into that market. That is the only incentive that a business man needs. He does not need interference in the capital gains tax and capital transfer tax mechanisms to ensure that he has the incentive to go out and start a business. In representing that position to the House once again this year, the Minister completely misunderstands the very people he represents. The right hon. and learned Gentleman might say that I was not here to hear his reply, but I was upstairs in the Public Accounts Committee where we were dealing with another equally absurd area of Government policy — the rate support grant and its allocation to local authorities.

In every area of financial management, the Government are wrong. They will continue to be wrong because they start from the wrong base. Next year the Government will introduce yet again an indexation measure. "Indexation of losses" is an absurd term. It is another little mechanism introduced by the Government to ensure that those who make are able to cover themselves when they lose. It is a grubby little measure, typical of this Government's Finance Bills.

I only wish that the public could hear the Chief Secretary. I do not support the televising of Parliament, but I wish that they could see and hear the right hon. and learned Gentleman. I should like the public to be able to respond to the insensitivity which the Minister has repeatedly demonstrated over the years. If the public were able to hear one of our debates on capital gains tax and capital transfer tax, they would understand the Government's real priorities and the Conservatives would never survive another general election.

Question put:—

The Committee divided: Ayes 225, Noes 154.

Division No. 201] **[6.11pm**

AYES

Adley, Robert	Atkinson, David *(B'm'th E)*
Alexander, Richard	Baker, Nicholas *(N Dorset)*
Alison, Rt Hon Michael	Baldry, Tony
Arnold, Tom	Batiste, Spencer
Ashby, David	Beaumont-Dark, Anthony
Aspinwall, Jack	Bellingham, Henry
Atkins, Rt Hon Sir H.	Bendall, Vivian

Best, Keith
Biffen, Rt Hon John
Blackburn, John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brinton, Tim
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Channon, Rt Hon Paul
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Couchman, James
Cranborne, Viscount
Critchley, Julian
Currie, Mrs Edwina
Dorrell, Stephen
Dunn, Robert
Durant, Tony
Dykes, Hugh
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Fletcher, Alexander
Forman, Nigel
Forth, Eric
Franks, Cecil
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Goodhart, Sir Philip
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Hayward, Robert
Heathcoat-Amory, David
Hickmet, Richard
Hicks, Robert
Hill, James
Holt, Richard
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hunt, John *(Ravensbourne)*
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Latham, Michael
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
Maclean, David John
Maples, John
Mather, Carol
Maude, Hon Francis
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(NW Hants)*
Moore, John
Neale, Gerrard
Neubert, Michael
Nicholls, Patrick
Oppenheim, Phillip
Osborn, Sir John
Page, Richard *(Herts SW)*
Parris, Matthew
Pawsey, James
Peacock, Mrs Elizabeth
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Silvester, Fred
Sims, Roger
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. John Major and
Mr. Tim Sainsbury.

NOES

Adams, Allen *(Paisley N)*
Alton, David
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Ewing, Harry
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Johnston, Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamond, James
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Loyden, Edward
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Maxton, John

Maynard, Miss Joan
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Snape, Peter
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wareing, Robert
Wigley, Dafydd
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Noes:
Mr. Sean Hughes and
Mr. Frank Haynes.

Question accordingly agreed to.
Clause 64 ordered to stand part of the Bill.

Schedule 16

INDEXATION

Question proposed, That this schedule be the Sixteenth schedule to the Bill.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I do not wish to detain the Committee, and will speak briefly about paragraph 19, My hon. Friend the Member for Colne Valley (Mr. Wainwright) and I tabled two amendments only yesterday which, understandably, were not selected. I wish to seek advice from Treasury Ministers on the contents of paragraph 19, and do not argue a particular point.

There is an element of confusion among substantial financial institutions, such as the pension funds, about the meaning of paragraph 19 and it would be helpful to clarify the position. The Inland Revenue press circular said that in relation to holdings paragraph 19

"provides the general ordering rule that securities shall be identified with those acquired earlier rather than later."

It than has in brackets the initials FIFO, which I assume mean first in, first out.

If I understand the paragraph, it sets out for the purposes of capital gains tax the order of identification of assets disposed of. Paragraph 19(2) changes the rules that have applied since 1 April 1982. No doubt the Chief Secretary will confirm my understanding of that.

Under the 1982 legislation, assets were identified on a last in, first out basis, which ensured that indexation relief was kept to a minimum. The Budget statement provided that indexation relief should be extended, but the Finance Bill goes beyond anything mentioned in the statement—it provides for the introduction of a first in, first out basis of identification.

Financial institutions have built up their holdings over many years. The new rules entail identification of disposals with the earliest acquisition, so that disposal of part of the holding will give rise to a significantly higher gain than would have obtained under existing legislation. In large part that gain will reflect inflation before the introduction of indexation. The practical consequence will be that the institutions will not sell any holdings that have been held for many years simply to avoid the penal taxation that might apply if my understanding of the schedule is correct.

That would be undesirable. It would inhibit the institutions' freedom to manage their portfolios efficiently. More importantly, it would reduce the tax take to nil. Portfolio managers are not daft and they will freeze their holdings. The intention of the Budget statement was to relieve inflationary gains rather than increase the yield of capital gains tax.

The amendment that we tabled yesterday sought to establish whether we understood the position correctly. Treasury Ministers should make the position clear so that appropriate adjustments can be made and steps taken by portfolio managers to resolve these questions.

Mr. Terry Davis (Birmingham, Hodge Hill): Is the hon. Gentleman trying to reduce the capital gain and therefore reduce the tax, or is he trying to increase the capital gain and therefore increase the tax?

Mr. Kirkwood: That is a fair question. I am not arguing a case. I followed the debate yesterday——

Mr. John Maxton (Glasgow, Cathcart): You are sitting on the fence.

Mr. Kirkwood: No, I am not sitting on the fence. If I am given the opportunity, I want to say that I freely supported the attitude taken by the hon. Member for Thurrock (Dr. McDonald) and the Labour party in our previous debate. I agree that we should seek to maximise the amount of money from capital gains tax. I am worried about the position where the changes by default would end up with the tax take being reduced. Portfolio managers will freeze their holdings if the first in, first out principle applies. I hope that I have answered the question as clearly as possible.

There is confusion about the interpretation of paragraph 19. I am not trying to be clever—mine is a probing speech. Senior portfolio managers, who know far more than I about these provisions, are confused. It would be useful if the Chief Secretary could clarify the position.

6.30 pm

Mr. Peter Rees: I had noticed the amendments that the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) had tabled. I appreciate his concern and I shall respond to his remarks as lucidly as I can.

The hon. Gentleman will recall that between 1965 and 1982 the FIFO rule—first in, first out—applied. After a measure of indexation was introduced in 1982, both the FIFO and LIFO—last in, first out—rules applied. Now we are reverting to the original intention of the legislation, to FIFO, and I shall list the advantages that we see in returning to that.

We hope that it will leave taxpayers at the earliest opportunity — of course, it is within their control whether it will be so—with one holding of shares and one pool of expenditure. It will therefore be a considerable simplification, and simplification is sought by hon. Members in all parts of the Committee.

It will no longer be necessary to keep details of shares acquired more than 20 years ago. That should be

[Mr. Peter Rees]

particularly helpful for those with computer programmes. The effect of the rule on individual taxpayers — I appreciate that the hon. Member for Roxburgh and Berwickshire was concerned more with institutions — will depend on the price and acquisition date of their holdings. They will have to check on their position in that respect.

The hon. Gentleman pointed out that people with big, pre-1982, gains might be frozen, as it were, into a particular position. I regret that, but it must be for them to judge. I explained clearly in answer to the first set of amendments to clause 54 moved by my hon. Friend the Member for Tatton (Mr. Hamilton) and when replying to the debate on the last series of amendments that, in our view, the tax is now in a sustainable and acceptable form. That does not, however, rule out minor amendments. It is for people to draw their own conclusions on that.

I do not believe that the provision will necessarily have the consequences that the hon. Gentleman forecast, but he is right to say that the position should be made absolutely clear. While the language may seem somewhat convoluted —it is a complex subject—I hope that I have explained what the provisions convey. We shall look again at the wording. In the meantime, I hope that I have conveyed the intention of the Government.

Mr. Campbell-Savours: It would not be in order for me to ask questions about amendments that have not been selected. However, if the wording of those amendments were set out in a document other than the Order Paper and were submitted to the Chief Secretary, would the right hon. and learned Gentleman reply that what was proposed would cost or save the Exchequer money?

Mr. Rees: It is difficult to forecast. It would depend on the judgment of the managers of individual portfolios. It would vary according to the composition of the portfolio, how much of it was pre-1982 and post-1982, what the shares were and whether the managers took the view that eventually something more dramatic might happen to the tax in question.

I hope that I have conveyed the Government's intention. I hope, too, that the schedule conveys our intention. I promise the Committee to look again at the words of the provision to see whether there is any possible ambiguity. If there is, we shall return with a suitable amendment.

Question put and agreed to.

Schedule 16 agreed to.

Clause 87

ABOLITION OF DEVELOPMENT LAND TAX AND TAX ON DEVELOPMENT GAINS

Question proposed, That the clause stand part of the Bill.

Mr. Terry Davis: For three hours, we have been debating provisions which give away £155 million to people with some of the highest incomes in the nation. As we come to clause 87, we debate provisions which give away more money — another £50 million — to people who are very well off.

We are debating what is called development land tax, which was introduced some years ago as a tax on the development value of land. In effect, it is a tax on the increased value of land, usually agricultural land, resulting from planning permission being granted by a local authority.

I hope that the whole Committee will agree that such an increase is a windfall gain — a gratuitous gain. The land has increased in value as a result of planning permission. That increase has been created by the community, and we oppose the abolition of development land tax because the Labour party believes that part of that increase should be returned to the community.

The tax was originally introduced by the then Labour Government in 1976. It accompanied the Community Land Act of the previous year. That Act was repealed by the Conservatives on their return to office.

It can be argued, therefore, that the raison d'etre for development land tax was removed by the abolition of the Community Land Act. However, our case is that the development land tax is justified in its own right. We believe it right that society should insist that part of this windfall gain should be used for the benefit of society and that the money should be recovered through a special tax.

There have always been exemptions from development land tax. When the tax was introduced by the Labour Government, there was an exemption for local authorities and similar bodies. Charities were also exempt; the exemption in that case applied to land which they already owned on 12 September 1974. That ensured that they would not pay tax if the land was developed after that date. It is interesting to reflect—in view of yesterday's debate in Committee about charities and the extension of VAT to newspaper advertisements—that when Labour Members argued yesterday for an exemption from VAT on those advertisements to be given to charities, the Conservatives resisted our pleas. Conservative Members did not take that attitude in 1976 when development land tax was introduced. They then claimed to be friends of charities and pressed the Labour Government to extend the exemption to charities which acquired land after that date, so enabling them to develop it and make a tax-free development gain. In considering this issue, we are entitled to contrast the words of Conservative spokesmen some years ago on the introduction of development land tax and the dogmatic and doctrinaire attitude — they would describe it as fiscal neutrality — which prevailed in the Government's arguments yesterday.

There has always been another exemption from development land tax. That applied to a person building a house for his or her own use. The increase in value in that instance, resulting from the granting of planning permission, has always been exempt from the tax.

Similarly, exemption has always existed for industrialists who develop land for their own use. Under the scheme introduced by the then Labour Government, payment of the tax was deferred until the property developed by the industrialist was eventually sold, if it should ever be sold. No tax arose at the time of development because the Labour Government wished to encourage industrialists to build factories and expand industry.

The Labour Government gave another exemption. From the beginning, the first £10,000 profit made from the increased value of the land as a result of planning permission was exempt. An individual, company or trust could profit to the tune of £10,000 a year as the result of planning permission being given for land which was to be developed, and was not taxed on this profit.

That exemption of £10,000—call it a tax allowance—applied from 1976. When the Conservatives came to power in 1979 they increased that exemption to £50,000, and at the same time they reduced the rate of tax from 80 to 60 per cent. Those changes cost the Revenue £10 million in a full year.

Two years later the Conservatives extended to commercial developments the deferment applying to industrialists. In other words, if a person built an office block in a city, the tax did not apply until the office block was eventually sold by the developer, provided that the developer had been using it for his own purposes. I have not been able to ascertain the cost of that minor change. I accept that it was probably quite small. I mention it only so that we may have a full picture of the way in which the Government have gradually cut the revenue from this tax on windfall gains.

In 1984, the deferment became an exemption for industrialists and commercial developers. In that year, the Conservatives—fresh from the election victory of the year before—decided that, if a property had not been sold within 12 years, deferment would become exemption, and the developer would not be liable for development land tax. We were told that the change cost the Revenue £4 million. In the same Finance Bill, the Government increased the threshold from £50,000 a year to £75,000 a year, at a cost to the Revenue of another £9 million.

Finally, this year, the Chancellor announced that he intended to abolish this tax and that the measure would cost £50 million in a full year to the Revenue.

We have seen a series of changes and slices in this tax. It reminds me very much of the way in which, some years ago, Russian foreign policy was described as "slicing the salami". We are told that the final act of abolition will cost £50 million. The true cost of Conservative policy on development land tax has been at least £73 million in a full year.

I emphasise that this abolition of development land tax does not mean that the person who benefits from the windfall gain resulting from planning permission will not pay any tax on the gain. Of course, that person will still be liable to pay capital gains tax, which is levied at 30 per cent. The figures that I have cited—£50 million for the cost of abolition and £73 million for the total cost of what the Government have done—are net figures after allowing for the offset effect of capital gains tax.

It is important to note that more tax will be paid by the small landowner because of the abolition of development land tax. He will have benefited in the past from an exemption of £10,000 under the Labour Government, which was increased progressively to £50,000 and then to £75,000 under the Conservative Government. The person who was exempt from tax will become in the future liable to pay capital gains tax at 30 per cent. because a similar exemption from capital gains tax amounts to only £5,900. The Government are benefiting not only the people who receive windfall gains resulting from planning permission given by local authorities but the people who make the greatest gains. They are not benefiting the people who make only small gains.

It is important to contrast the effect of the abolition of development land tax on the tax rate, because there will only be a capital gains tax of 30 per cent. on these development gains. I contrast that tax with the taxes that this Government levy on earned income. People pay income tax on their earned income at a rate of 30 per cent. increasing to 60 per cent. This year, the rate of corporation tax is 40 per cent. The tax on the windfall gains which have been wholly unearned and undeserved will only be 30 per cent.

When the Development Land Tax Bill was introduced by the Labour Government, the Conservative party opposed it. Conservative Members were, however, always careful in debates to distance themselves from any suggestion that those unearned profits should not be taxed. Indeed, on Second Reading the spokesman for the Conservative party—he is now a Minister—moved an amendment that accepted

"that increases of land values resulting from planning decisions should bear a special tax"

and the Conservative party did not vote against the Second Reading.

6.45 pm

In an earlier debate, the Chief Secretary told the Committee that the Economic Secretary would reply to this debate on the Government's behalf. I know that the Economic Secretary took great interest in the introduction of this tax. He told the House during the debate on Development Land Tax Bill that he had some personal experience of increases in development value because of his directorship in a company that had developed a site in London for a hotel with the additional aid of a special grant. He could therefore bring his experience and expertise to the subject—I make no criticism of that—so the Economic Secretary—the hon. Member for Hertfordshire, North (Mr. Stewart)—participated in the Second Reading debate on the Development Land Tax Bill. He told the House that he regretted the fact that there was not a common approach between the Conservative and Labour parties. He accepted that there needed to be a tax on the gains made as a result of planning permission being given. He said:

"we accept that planning gains should attract some special tax."—[*Official Report*, 15 March 1976; Vol. 907, c. 954, 1035.]

I emphasise the words "special tax". Those words were also used by some of the hon. Gentleman's colleagues.

When the Economic Secretary explains the Government's decision to abolish development land tax, will he explain where the "special tax" is? Where is the special tax which the Conservative spokesman when in Opposition, agreed should be levied on these windfall gains resulting from planning permission?

During the debate on the Development Land Tax Bill and elsewhere, Conservative spokesmen argued for what they described as an "infrastructure charge" to be paid by developers. Where is the infrastructure charge to be introduced by the Conservative Government on the abolition of development land tax?

Any fair-minded person reading the debates on the introduction of this tax would have expected a Conservative Government, if they abolished development land tax, to introduce a new tax. Conservatives would regard it as a tax on better lines, but it would nevertheless be a tax on those unearned profits that arise solely as a result of a line drawn on a map by someone in a planning office. In those days, when in opposition, the Conservatives did not dare to contest the need for an additional tax. They only complained about its level and the method by which it would be levied. They said that they thought that a rate of 80 per cent. was too high and argued in the House and in Committee for a rate of 60 per cent. In one sense, it follows that we cannot complain

[Mr. Terry Davis]

about the reduction to 60 per cent. in 1979. Anyone who looked at the debates could have expected a Conservative Government to reduce the rate from 80 per cent. to 60 per cent., but could not have expected the tax to be completely swept away without being replaced. This tax was described repeatedly by Conservative spokesmen in the House and in Committee as a special tax that was entirely justified.

The Conservative party manifesto in 1983 did not refer to the abolition of development land tax. The Chancellor has boasted of abolishing three taxes. He refers to the abolition of the national insurance surcharge, an abolition that we supported; the abolition of the investment income surcharge, a measure which we strongly opposed; and the abolition of development land tax, which we oppose equally strongly. The abolition of development land tax gives back £50 million in a full year to people who are already well off. It does not fulfil a Conservative party manifesto commitment or election pledge. The Conservative party manifesto in 1983 did not refer to the possibility of the abolition of development land tax. I understand that it was referred to in the guide issued to Conservative candidates in 1983, but they were not encouraged by the Government to expect the abolition of development land tax.

I have not read the guide but I am told that it contains the statement:

"The tax remains in place to control the possibility of abuse."

What will happen about those abuses? The 1983 guide for Conservative candidates admitted that there were some abuses. What else does that sentence in the guide mean? What will be done to control the abuses that two years ago Conservative central office admitted were liable to take place if the tax was abolished?

The Labour party will oppose the abolition of the tax not just because it gives £50 million to people whose need is far less than that of many others in our society, but because it goes back on everything that the Conservative party said when in opposition.

Mr. John Heddle (Mid-Staffordshire): I rise, as is the custom in these matters, to declare an interest as a consultant partner in a firm of chartered surveyors which might in the past have earned fees from acting for clients who were contesting tax claims with the development land tax office in Middlesbrough. In a sense, I am declaring a reverse interest because that firm may lose fees it might otherwise have received had my right hon. Friend the Chancellor of the Exchequer not made that welcome and overdue announcement in his Budget speech.

I remember when the Government of which the hon. Member for Birmingham, Hodge Hill (Mr. Davis) was not a member introduced the Community Land Bill in 1975. It was an act of political vindictiveness. At a stroke it froze the supply of land that builders—the largest employers of skilled labour — wanted to enable them to build homes for the first-time buyers over whom that same Government were weeping crocodile tears.

Mr. Campbell-Savours: If that tax was so bad why were those record house building years in the United Kingdom?

Mr. Heddle: They were not record years for house building in the private sector. They may have been record years for house building in the public sector, but that record did nothing to reduce council house waiting lists.

I remember the introduction of the Development Land Tax Act 1976 by the Government of which the hon. Member for Hodge Hill was a member. They introduced it because the Community Land Act 1975 was seen patently not to work, to do the reverse of what it was designed to do, and to freeze the supply of land. What happened? The supply of land dried up completely. When bank finance became more readily available, the money fell into the hands of secondary and tertiary banks and property speculators who made profits hand over fist and contract against contract. No foundations were dug. No brick was laid. No house was built, and the level of homelessness increased.

The supply of land will increase only through the operation of market forces — supply and demand working in partnership—and if this punitive tax, which last year was 8 per cent. higher than corporation tax and which is now well above the level of that tax, is abolished. Land prices will stabilise and the construction industry will feel that it can buy land at realistic prices and offer properties built on that land at prices that people can afford.

Opposition Members fail to accept that an impost of 60 per cent. has the effect of increasing the cost of land by 60 per cent. It discourages the land owner from bringing that land forward for development. The hon. Member for Hodge Hill said that he looked for a replacement tax to contribute towards infrastructure costs. That tax exists. Capital gains tax will continue to be paid by the private landowner and corporation tax will be paid by the company that sells land. How can he say that a reduction in taxation which will guarantee to increase the supply of land and stimulate the construction industry, and the jobs created thereby, is not a good measure? How can he say that with a corporation tax rate of 35 per cent. there is no replacement taxation? How can he say that a form of taxation whereby development gains cannot be offset against development losses is a good form of taxation? How can he say that a form of taxation that costs the development land tax office in Middlesbrough more to collect than the Exchequer receives is a good form of taxation? It is nonsense.

I look to the construction industry to respond now to my right hon. Friend's welcome announcement in the Budget speech and to buy land, and for landowners to make land available at realistic prices so that builders can employ the skilled labour that a boost to home ownership will require which is waiting for the jobs. That will benefit young married couples on council waiting lists in my constituency and that of the hon. Member for Hodge Hill who want to get on to the ladder of home ownership. A reduction in the 60 per cent. punitive rate of taxation will release more land at realistic prices.

Mr. Stuart Randall (Kingston upon Hull, West): I listened with great interest to the speech of the hon. Member for Mid-Staffordshire (Mr. Heddle). He plainly represents interests connected with land speculation.

Mr. Heddle: On a point of order, Mr. McCartney. The hon. Gentleman has made a statement which, with respect

to him, I believe is a slur. I declared an interest as a consultant in a firm of chartered surveyors, not an interest in the matter to which he referred.

The Temporary Chairman (Mr. Hugh McCartney): I did not hear any slur.

Mr. Randall: I shall not discuss the interests of the hon. Member for Mid-Staffordshire any further, but if the cap fits he should perhaps wear it.

As my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) said, development land tax was introduced by the Labour Government in 1976. It was introduced to offset windfall profits made from the sale or the development of land. Many of us will remember what happened to land prices in the early 1970s. In the south-east of England prices went berserk. There was enormous abuse in the sale and exploitation of land. Ordinary people suffered. For that reason, I oppose the abolition of development land tax.

7 pm

As my hon. Friend the Member for Birmingham, Hodge Hill pointed out, the profit arises from the land tax at a time when a local authority grants planning permission to a developer of a piece of land or to somebody who wants to sell a piece of land for a particular purpose or use. However, I think that the development land tax legislation introduced by the Labour Government was reasonable. It created exemptions. As a result, organisations such as charities and local authorities which serve community interests were exempt, as were people who built houses for their own use on land that they owned. That to my mind seems perfectly reasonable.

In the years since the last Labour Government introduced the development land tax, the Conservatives have been chipping away at it. I would like to have been a fly on the wall listening to all the lobbying that must have taken place by property speculators and the like of the various Ministers and Departments, pleading to be given an opportunity to make the kind of profits that they had made hitherto.

In 1981, the fairly new Conservative Government extended the exemptions to which I have referred to cover commercial organisations.

Mr. Austin Mitchell: If I may pursue the point that my hon. Friend made about lobbying and arm twisting, things are done in a far more genteel fashion in the Conservative party than they are in the Labour party. It is in fact not arm twisting or anything similarly painful, but the dangling of prospects. I suggest to my hon. Friend that, as part of the inquiry into the processes that went on behind closed doors, he should ask how many property companies made substantial donations to the Conservative party.

Mr. Randall: I am grateful to my hon. Friend because in fact that was implicit in my comments. That is why I said that I would like to have been a fly on the wall listening to the various probing questions. I am sure that all the briefs coming into the various ministerial offices would have suggested that, if there could be a relaxation of the tax, there must be good prospects for the Conservative Government. I would not like to say that that actually happened, but there are doubts in my mind as to how all this took place.

The 1981 change provided an opportunity for the organisations concerned with the development of office blocks to have a relaxation of this form of taxation. In my view, we are discussing here large organisations and rich institutions that invest in office blocks and other real estate. The debate is really about whether we should be giving relief to organisations of that kind or helping the ordinary man in the street. That is the general thrust of what is being said. The clause is yet another measure introduced by the Conservative Government that results in money going from the less well off to the ultra-rich and to the very well off. That has been the philosophy of the Government since they were elected in 1979.

After the change in 1981 came the 1984 change whereby, the Government altered the deferment arrangements of development land tax for industrial and commercial development to complete exemption. Certain conditions had to be met. One was that the property would not be disposed of within a 12-year period. This was another chipping away of the development land tax for the benefit of landowners who, I think one could say, would generally be pretty rich people or institutions.

The Government seem to be intent on encouraging land speculators and land speculation. When the Labour Government were in power, they introduced the development land tax at 80 per cent., but soon after coming to power in 1979 the Conservative Government relaxed the rate to 60 per cent. The original scheme introduced by the Labour Government in 1976 was reasonable in that the first £10 million of profit—this is on a per annum basis—was exempt from development land tax. That was a reasonable legislative measure and, for the life of me, I cannot understand the reason for this change except, as I said earlier, that I believe that there has been some arm twisting and, as we know, the Government are intent on supporting the very rich at the expense of the less well off. These facts can be substantiated. The people and institutions whom we have been discussing are a tiny minority of very well off people.

In 1984, the Conservative Government increased the exemption allowance to £75,000. Now they propose to abolish development land tax. I understand that that will cost the Exchequer about £50 million in 1985-86. If the Minister and some of his hon. Friends would only visit my constituency to see for themselves the social conditions, the appalling housing and the deprivation in the area, I feel almost certain that they would understand why I am so bitterly opposed to the priority of the Government in taking £50 million and giving it to property speculators.

In Committee yesterday, we debated advertisements in newspapers. In a long debate, many hon. Members expressed strong feelings about this form of taxation, which I believe is approximately equivalent to the amount of revenue that would be lost by the complete removal of the development land tax. In the debate, hon. Members said that many ordinary people wish to insert advertisements in newspapers at the time of a family bereavement or on the occasion of a birth or silver wedding. These advertisements are important to many people. As a result of the Government's measure, a tax of 15 per cent. will be imposed. This is just one example of the Government's priorities. They are giving £50 million to landowners and speculators and adding to the cost of advertisements in local newspapers to the detriment of ordinary people.

Many changes have taken place since 1979. Hon. Members who took part in last year's debates on the Finance Bill will realise the insidious way in which the

[Mr. Randall]

Government have introduced these taxation changes. We heard then of tax relief for stud farm owners, and a form of tax relief for company directors whose children are educated at their companies' expense. The most galling thing is that, when Parliament was debating that legislation last year in the early hours of the morning, the Press Gallery was empty. As my hon. Friend the Member for Workington (Mr. Campbell-Savours) pointed out, it is galling to realise that the general public are often unaware of the extent to which taxation changes are taking place.

This is a question of priorities. As someone has said, Socialism is the choice of priorities. That is why we are so bitterly opposed to the clause. Why did the Government not use the money to avoid petrol costing £2 a gallon? That would have helped those who live in rural areas and those who must use their cars to collect their prescriptions. The increase in the cost of petrol is tough on many people. It is right that we should oppose the abolition of development land tax.

I am delighted that we are debating this matter on the Floor of the House rather than in Committee. I hope that the press will pick the matter up, and that people will realise the extent to which the Government have been taxing the poor and giving money to the rich for almost six years. The net effect is that the rich have become extremely rich and the poor extremely poor. About 18 months ago, "Breadline Britons" reported that nearly 8 million people were living in poverty. The way in which the Government are allowing poverty to continue while at the same time they are feathering the nests of rich property owners and speculators is shameful.

Mr. Campbell-Savours: I had not intended to speak, until the hon. Member for Mid-Staffordshire (Mr. Heddle) referred to some figures for which he did not produce statistics. I went to the Library to examine the statistics and they make interesting reading. They show that the Government have no case for introducing this concession. There is no need for it. The hon. Gentleman was right that there are more private sector starts than previously. In 1977, the first year for which the tax existed, 134,810 houses were built in the private sector. In 1978 the figure increased to 157,000, and in 1983 it had reached 167,000. There is always a need to build more houses, but these figures show a successful policy, which is based on raising development land tax. The tax paid does not impede growth in the private sector; indeed, it is supporting the private sector house building programme.

Mr. Heddle: I thank the hon. Gentleman for giving way, and ask him to consider the following fact. The properties built in 1977, 1978 and 1979 were built not on land which was bought between 1977 and 1979, but on land bought by builders up to five years ahead of their building programme. Therefore, his statistics are of little relevance. The hon. Gentleman referred to the welcome increase in starts in 1983. The houses were built on land which was subject to a lower rate of development land tax —it had fallen from 80 per cent. to 60 per cent.—which was introduced by my right hon. and learned Friend the then Chancellor of the Exchequer in his Budget of 1980 — not 1979 as the hon. Member for Kingston upon Hull, West (Mr. Randall) said earlier.

Mr. Campbell-Savours: As that is the hon. Gentleman's response, perhaps he will examine the position a little further back to see whether his argument continues to hold water. In 1973, there were 215,000 private sector starts. By 1974, the figure had collapsed to 105,000. It then increased to 149,000 and to 154,000. My point is that the policy has not damaged the growth in private house building. Every suggestion that it has is negated by the figures that I have produced today. When the Minister replies, he must prove to the House that there is a need to remove the tax, to ensure that growth can take place where it has not taken place. He cannot prove that, because the statistics show that growth has taken place.

I wish to ensure that people outside the House do not misunderstand the figures. Although there has been a growth in private sector housing development, there has been a collapse in the public sector from 132,000 in 1977 to 47,000 in 1983. The figure is even lower this year. That means that this year the total figure of 214,000 for all dwellings is lower than for any year under the Labour Government. We have won the argument in every respect.

7.15 pm

The hon. Gentleman said that the benefit from the reduction in tax would be passed on to the consumer, but that does not happen. That is not how the market works. The benefit is not passed on in the free market. What happens is the same as what happens in the enterprise zones. Although there has been a rates subsidy, its effect has made little difference to the market cost to the manufacturer or tenant in taking a site. Rents have merely increased. The market, not the question whether there is a tax, determines the cost of land. We are merely handing over the £50 million or net £20 million to landowners. The whole exercise is a waste of time. If it could be proved that the abolition of DLT could lead to an abundance of new land coming onto the market, there might be an argument for it. However, it will not do that. Abolition of DLT has no influence on the number of private sector starts.

Mr. John Butterfill (Bournemouth, West): We can show that. It is clear that if the tax is removed, a substantial number of landowners would put their land on the market. That would increase the supply of land on the market, which would, of necessity, reduce prices. In my professional capacity, I have seen that the phasing effect, which takes place to take account of annual exemptions, has meant that many landowners have released their land in parcels in order to take maximum account of the annual exemptions available. That has delayed the flow of land on to the market.

Mr. Campbell-Savours: I only wish that my memory were better. I recall a time during the past four years— my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) may have served with me on that Finance Bill —when we discussed an amendment which dealt with land banks being held by building companies. It appeared that they had a tax problem because they were holding such large tracts of land. There is no shortage of land available to building companies today. Indeed, some companies say that they are carrying too large a pool of land. They want a demand for homes and an expansion of public sector moneys to ensure a construction programme. Building companies say that they have the land, yet the hon. Gentleman seeks to prove that more land will be forthcoming. It may be that the building companies do not need the land, as it is already available.

The hon. Member for Mid-Staffordshire is a free marketeer and is in the estate agent business, land

valuation, or whatever. He is in that set and he knows exactly what I mean. He knows that the only determinant of land values is the free market. If we hand over the net £20 million, we will merely give it to people who do not need it. If it could be proved that the provision would reduce the value of housing, we might have to take the clause seriously, but it cannot be proved. When the Minister replies, he must prove that the abolition will lead to more houses being built, and that the consumer will benefit. If he cannot do that, he should withdraw the clause.

Mr. Austin Mitchell: My hon. Friend the Member for Workington (Mr. Campbell-Savours) should disregard the siren voices from the Conservative party, because arguments along those lines can always be produced to defend a concession to a vested interest, which this clause essentially is. The fact that they cannot produce better arguments than the ones that we have heard during this debate is a testimony to how tawdry the concession is.

The argument that the concession will increase housing starts is completely fallacious. That depends on interest rates, and the Government's prolonged policy of high interest rates has crucified not only house buyers and those who have mortgages, but house builders. It inhibits them from buying land and building the land banks that they need to ensure continuity. Interest rates will be the real determinant of housing starts, not this concession, which will go straight into the pockets of the developers and the property companies. It will certainly not come back to the consumer.

I cannot emphasise enough what is happening here. The Opposition Front-Bench spokesmen were right to pick this clause on development land tax, and the earlier clause on capital gains tax, for debate on the Floor of the House. There is no need for either concession.

This concession will do nothing to stimulate the economy or the housing market beyond what is determined by interest rates. It will do nothing for economic efficiency, jobs or growth. It is the straightforward concession of a substantial sum of money to the Government's fat friends——

Mr. Geoffrey Dickens (Littleborough and Saddleworth) *rose*——

Mr. Mitchell: I give way to one of the Government's fattest friends.

Mr. Dickens: Perhaps I am one of the Government's fattest friends. I am an engineer, not a property developer or a financier. The hon. Gentleman said that there would be no advantage to the consumer. Is it not right that many British institutions hold many acres of land? The trade unions and other bodies invest their pension funds in those institutions. Therefore, if there is a tax advantage to those institutions in the sale or development of their land, the money will accelerate and enhance the pension funds in which trade unions and many other disadvantaged bodies are pleased to place their money. Would they not obtain a better yield? The hon. Gentleman's argument is incorrect.

Mr. Mitchell: The hon. Gentleman's intervention takes us completely away from the point, but it demonstrates the paucity of argument for this measure. His was an especially far-fetched argument. If he is advocating that the pension funds should be allowed to buy and sell land more easily so that their money will be, not far-fetched but far-carried and invested overseas—following the huge outflow of investment from Britain—that will stimulate the free market, but it will be of no great advantage to British citizens or to the creation of jobs.

This measure is a straight giveaway of the sort that is normally trundled through Committee at dead of night. My hon. Friends were right to ask that it be debated in the early evening. Regrettably, the press, with their usual inattention to such sordid manoeuvrings, are not here to highlight it. But what is happening deserves to be screamed from the rooftops, because houses will continue to be built, provided that interest rates allow it. This concession to the Government's fat friends is justified by double talk and by devious and largely inaccurate arguments.

The day after the measure was announced by the Chancellor in his Budget statement, *The Times* carried an article stating that the property industry welcomed it. But the industry did not say, "Thank you, Chancellor, for £50 million," which is what it is about. It said that the tax would consume much of its time. The £50 million would appear to be purely incidental. It is a straightforward benefit about which nothing is said.

Development land tax, which was rightly introduced by the Labour Government in 1976, is part of a long tradition of attempts, some more successful than others, to ensure that the return on the increased value of land, which comes through no effort on the part of the owner, accrues to the agency which causes that increase in value — the community. Is it not right, in principle, that that unearned windfall should accrue to the community? There are always practical difficulties in that, but they can be solved. The principle of development land tax is so glaringly right as to be incontrovertible.

The tradition goes back to the unearned increment of land tax which Lloyd George introduced in 1909. After the "people's Budget" of that year, Trafalgar square was filled with an enormous crowd singing:

"The land, the land, 'twas God that gave the land,
The land, the land, the ground on which we stand.
Why should we be beggars with the ballot in our hand?
God gave the land to the people."

That crowd was led by Winston Churchill. They were celebrating the taxing of the unearned increment of land value, which is part of the development land tax introduced by the Labour Government. It is a long-standing principle that the increase accruing as unearned profit to developers and owners should be taxed for the benefit of the community.

Mr. Butterfill: The hon. Gentleman is wrong. The 1947 Act removed from landowners the right to do what they wished with their land. They had to obtain permission. Before 1947, a man could do what he wished with his land. The hon. Gentleman is suggesting that the concession whereby those rights may be given back should then be the subject of taxation. It stands logic entirely on its head.

Mr. Mitchell: That was not my argument. I was saying that it is right to take back some element of the unearned improvement in land values. The principle has been a long-standing part of fiscal legislation and endeavour, dating back to the "people's Budget" of 1909.

One can argue about planning permission and how it should be pursued, but one cannot argue that people who

[Mr. Mitchell]

have done nothing to increase the value of land should benefit from that increase, as they would if development land tax was abolished. It is an unearned profit, and it is right to tax it.

It has been shown that the income can be taxed without inhibiting development. Indeed, my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) produced telling figures in support of that argument. Despite all that the Government have done to increase interest rates, depress the building industry and drive builders into bankruptcy, there is still development, except in public sector housing. It is not true to say that the tax has inhibited development. The increase in value should be taxed because it is a socially produced increase from which the full benefit should not accrue to the landowner. It should accrue to the community.

Labour introduced development land tax, which accompanied the Community Land Act. It was intended as a step towards public ownership of all development land. That would seem to be right in principle. One can argue about the way in which it is operated and about whether one needs to go to the full 100 per cent., but the tax is an attempt to see land values accrue to the community, which in itself, is right. The idea was that there should be public ownership and that the profits should accrue to the community. That was the essence of the argument. It was a tax on the windfall profit.

7.30 pm

The exemptions allowed under the Labour Government were adequate to ensure that the system functioned efficiently and fairly. Local authorities, charities and anyone building a house for his own use have always been exempt. If an industrialist developed land for his own use, the tax was deferred until the property was sold, under Labour's scheme. Labour exempted the first £50,000 profit per year by any developer. Therefore, there were sufficient exemptions and allowances to make it a fair system and to embody the principle that I have emphasised is important.

I am glad to see the Liberals here in their serried ranks to back us, as they did in 1909, with the people's Budget. However, their Social Democratic party allies are not here — they were not here yesterday either. The new members of the alliance are not as strong in the defence of Lloyd George's tradition as we are in the rest of the House.

The principle is right and fair and should be maintained. What has been done by the Government is a straightforward, vicious, nasty, sordid and tawdry concession to their fat friends.

The Economic Secretary to the Treasury (Mr. Ian Stewart): I am glad to respond to this debate on development land tax, particularly because, as the hon. Member for Birmingham, Hodge Hill (Mr. Davis) reminded us, I was involved in the legislation when it was originally introduced in 1976.

The hon. Member for Hodge Hill rightly said that the measure does not represent the removal of all tax from transactions which, up to now, have been subject to development land tax. The amount concerned will fall to be taxed not only under income tax but under capital gains tax, or corporation tax for companies. However, I must correct one thing that he said. I understood him to say that a small landowner would be worse off because tax would be payable if there were no DLT whereas, had there been DLT, the amount would have fallen within the exempt amount. That is not correct. The exempt amount may exempt the taxpayer from DLT. However, as with the exempt amount on transactions that give rise to DLT, all the remaining part of any profit or gain is taxable in the ordinary way. Therefore, it will not have the adverse effect that the hon. Gentleman suggested.

Several hon. Members reminded us that DLT was part of the community land scheme arrangements of the previous Labour Government. Under Labour, there was the Central Land Board in 1947, the Land Commission and the betterment levy in 1967, and the Community Land Act and development land tax in 1976. The hon. Member for Great Grimsby (Mr. Mitchell) said that he thought that nationalisation of development land was the direction in which we should go. Not only do I disagree with that in principle as a Conservative, but in practice the consequences of all those proposals have not met the expectations of those who introduced them.

Development land tax has caused many problems, many foreseen by my hon. Friends and me when we were considering the proposals nine years ago in Committee. A tax at a rate of 80 per cent. rising to 100 per cent., backed with powers for local authorities to acquire all development land, was more in tune with the theoretical ideas of Socialist planning than with the practical realities of the construction industry, in development and in bringing forward land for building. That is the way in which things have turned out.

I should like to correct another impression that Labour Members give. It is that development land tax is substantially the province of rich landowners and that the windfall gains of which they speak are such a social evil that they should be taxed at penal rates. In fact, less than half of those who pay the tax are individuals. Most of the tax charges are assessed against companies, statutory undertakers, builders and so on. It is because the groups involved in building and development are most subject to the tax that so many problems have been caused.

I was asked by the hon. Member for Hodge Hill to say why the Government were proposing the abolition of the tax when, nine years ago, in Committee on the Development Land Tax Bill, I and other spokesmen for the Conservative Opposition had accepted that there was a case in principle for the taxation of such gains. The simple answer is that there was a case in principle for the taxation of such gains in the circumstances of the 1970s, with high prospects of inflation and substantial speculative gains at that time. However, not only is there no case for such a tax today because inflation is now much reduced—the inflationary conditions that encouraged speculation no longer apply, and so long as the Government have anything to do with it, they will not return—but there is no case in the foreseeable future for such a tax, which has such an adverse effect on development and construction.

I was asked to give proof. Of course one cannot prove the future, but nine years ago we gave projections of what was likely to happen under the tax. They have proved far more accurate than the claims that were made by Labour Members at that time. I can quote some opinions to justify our belief. Several estate agents such as Savills, Knight Frank and Rutley and Grant and Partners have said that abolition of DLT will increase the supply of residential building land. They have said that it will have an entirely

beneficial effect by releasing sites for development, enabling industrial companies to move to more suitable sites, and helping housebuilders. The House Builders Federation believes that it will encourage landowners to sell land for development. The Incorporated Society of Valuers and Auctioneers says that it will

"encourage the building industry and employment".

Those comments are on the positive side. The strongest case for the abolition of DLT is the inhibiting effect that it has had on commercial activity and on building and development in recent years. It is expensive and difficult to administer, not only for the Inland Revenue but for the taxpayer. It has provided a significant impediment to the functioning of the market, and has undoubtedly damaged industry and commerce——

Mr. Campbell-Savours: How?

Mr. Stewart: I shall elaborate on what I have said because I am invited to do so by the hon. Gentleman.

I give one of many examples which have been brought to the attention of Ministers by assiduous Members. For example, a major firm in west London employing hundreds of workers and exporting the vast bulk of its products to overseas markets felt unable to move out of its present outmoded premises and into a larger factory because of the threat of development land tax. It did not have the resources to finance the cost of replacement premises. In another case, an export-oriented firm in the Midlands was faced with a choice of staying put or moving to a better site with a reduced work force because of development land tax liability on the disposal of its existing site. These are the restrictions to expansion and limitations to employment that are being removed by the abolition of development land tax.

Lest Labour Members should repeat their charge that this is merely Conservative rhetoric, I point out that representations along these lines have come——

Mr. Campbell-Savours: The Minister's examples have all been on commercial properties. Can we have an example on residential properties, because the Bill covers that?

Mr. Stewart: I have given the Committee a number of comments from those who are more expert than I am to judge the impact on building land. Examples could be produced from many constituencies where shortages of development land have made difficulties for house building. This tax goes far wider than house building because it affects commerce and industry. Many hon. Members have been pointing out in the past few years the difficulties that development land tax has created for them. The fact that such examples are put to Ministers by Labour Members should show that the tax that the Labour party introduced is doing the damage that we had the foresight to see at that time.

This is an inefficient tax because it is extremely complicated and at a punitive rate. The cost of collecting this tax is higher than that of any other tax on the statute book. It is more than three times as expensive as capital gains tax to collect, more than twice as expensive as capital transfer tax and seven times as expensive as stamp duty. That is the gross cost against the gross yield. The gross yield of development land tax is, in part, offset against other taxes that would be payable in the normal course of events if development land tax did not apply. The cost against yield tends to be significantly higher than 7 per cent.

Over the nine years in which it has been in operation, the gross yield before the cost of collection and the offset against other taxes that would have been paid has only been, on average, about £40 million a year. The latest year for which we have figures, two years ago, shows that the cost of collecting it gross is £1 to every £13 of tax, so it is extremely inefficient and expensive for the Revenue to administer the tax.

The tax is also burdensome to the taxpayer. One case has come to the notice of the Inland Revenue recently in which the taxpayer, assessed for liability of £1,800, could demonstrate that the incidental costs of dealing with that transaction to the taxpayer were £10,000 — more than five times the amount of the cost itself.

Mr. Heddle: We have heard the exorbitant incremental cost of collection as against the net tax yield, after taking into account taxes that would otherwise be paid, but that assumes that that tax is paid in one year. Does my hon. Friend agree that that tax is phased over an eight-year period, so the net benefit to the Revenue is even less than this figure suggests?

7.45 pm

Mr. Stewart: Payment is phased over a 10-year period as a result of a Conservative amendment that somewhat alleviated the burden of the tax. However, despite the improvements that we have made since we have been in office, such as the increase in threshold and the improvement in instalments, there are inherent problems in a tax where so much of the liability is deferred. The number of cases in which tax on deferred liability has been collected is still in single figures, although there are probably several hundred, if not thousands, of cases where this is being stored up, and continuing to produce problems for the future. Only one in 10 of the inquiries made about the potential charges of development land tax by the Inland Revenue results in a charge to tax.

However, a great deal of Revenue staff and taxpayers' time is taken up in dealing with the necessary inquiries and investigations. Not surprisingly, this tax has acted as a drag on the market, has discouraged development and caused congestion in the building and property markets.

The circumstances of inflation, speculation in the 1970s and so on have changed the markets. However, there is another important change that has come about recently and made it untenable to continue with this tax. That is the change in the rate of corporation tax. While it was at a rate of 52 per cent. against 60 per cent. for development land tax, the latter charge was higher than that of the corporation charge, but not catastrophically so. Various allowances could not be offset against it, so it was a more demanding tax than corporation tax.

When corporation tax is reduced to 35 per cent., as it will be next year, the gap between the rate of corporation tax and the rate of development land tax will be so wide that there will be a significant difference to the taxpayer according to which he is assessed. Therefore, the exact valuation of how much profit or gain should fall on development land tax and how much on corporation tax will be a more significant factor that taxpayers will have to take into account. That will increase the burden both to the taxpayer and the Revenue and to the problems of valuation, adjustment and so on.

[Mr. Stewart]

Under current circumstances, all the practical arguments are against keeping this tax on the statute book. It is the most inefficient and expensive tax and it has done increasing damage as years have gone by and more and more cases have become liable, either through deferment of liability or through locking in cases that could otherwise be treated in the normal way in the market. The tax has produced little revenue and done a great deal of harm to development. I am glad that tonight we have the opportunity to remove it for good and all.

Mr. Terry Davis: The hon. Member for Mid-Staffordshire (Mr. Heddle) said that the 1967 Act did not work, and that the Labour Government had therefore introduced development land tax in 1976. The Economic Secretary also had several omissions in his list of previous attempts to tax development gains. Like the hon. Member for Mid-Staffordshire, he forgot to mention that the 1967 Act, which may or may not have worked, was not the reason for introducing the tax in 1976. The tax that was introduced in 1967 was abolished by the 1970-74 Conservative Government. However, that Government had a change of heart, and this fact was omitted not only by the hon. Member for Mid-Staffordshire, who could be forgiven for forgetting about it because he was not in the House at the time, but, more significantly, by the Economic Secretary. When he read his list of taxation measures on development land, he forgot to mention that in 1973 the Conservative Government re-introduced a tax on development gains.

The hon. Member for Mid-Staffordshire then used the adjective "vindictive". He thought that the introduction of a tax on development gains was vindictive. Is he then describing the Economic Secretary as having been vindictive in 1976 when he said that there should be a special and additional tax on development gains? All those words were used by the present Economic Secretary and many other Conservatives when development land tax was introduced. Is the hon. Member for Mid-Staffordshire accusing his right hon. Friend the present Minister for Overseas Development of having been vindictive? We all know that that would be totally out of character.

Many other Conservative Members also accepted the need for such a tax. I have always observed the convention of not referring to hon. Members unless I have told them that I intend to do so, but I believe that that convention arose due to the possibility of hon. Members being attacked in their absence. As I am not making any attack, I make no apology for referring to words, used by Conservative Members in 1976, with which I fully agree. The hon. Member for Wolverhampton, South-West (Mr. Budgen), with whom I rarely agree, said:

"I accept that it is right that there should be an additional tax upon those values which arise from the granting of planning permission"

and

"We accept that there should be some level of taxation at a higher level than the rates for capital gains tax generally".—[*Official Report, Standing Committee J*, 23 March 1976; c. 15-18.]

Another Conservative, the hon. Member for Hove (Mr. Sainsbury), said:

"We accept the need for a special rate of tax on the granting of planning permission. Our argument is not whether there should be a tax but what its rate should be." — [*Official Report, Standing Committee J*, 23 March 1976; c. 33.]

There was no reference to inflation or speculation, but a clear reference — not a vindictive reference — to the community's justification for taxing these windfall gains arising from the granting of planning permission, so I think that the hon. Member for Mid-Staffordshire went a little over the top in his comments today.

Mr. Dickens: The hon. Gentleman may be surprised to hear that a developer in this country, like so many others, went abroad because of this stupid tax and is now building large housing estates in Canada instead of continuing to provide jobs and homes for the people of this country. Does the hon. Gentleman accept that it is not all take for the speculators because many get their fingers severely burnt and suffer great personal financial losses?

Mr. Davis: It is always difficult to discuss individual cases when they are not identified, but the hon. Gentleman cannot have appreciated the impact of development land tax. It does not apply to developers. It applies to people who own land and sell that land after planning permission has been given. There is a difference between a developer and a landowner. In one of those previous debates the hon. Member for Rutland and Melton (Mr. Latham) referred to the people who would pay the tax as land vendors. There is a great difference between a land vendor and a developer.

The Economic Secretary has said today that development land tax is justified only if there is inflation or speculation. I regard that as merely an excuse. Conservative Members made no reference to inflation or speculation when they supported the introduction of a special tax on these development gains in 1976.

The hon. Member for Mid-Staffordshire has described the tax as vindictive. My experience of debates on Finance Bills has been that Conservatives always claim that taxes on the rich are vindictive.

The hon. Member for Mid-Staffordshire also said that a tax of 60 per cent. on these unearned, windfall gains increased the price of land. If that is so, why was that rate suggested by Conservative Members in 1976? The Labour Government introduced a rate of 80 per cent. The Conservatives did not argue about the principle of the tax, although they might have done things a little differently and allowed more exemptions, but they urged that the correct rate was exactly the rate that is now being abolished.

Further, as my hon. Friend the hon. Member for Workington (Mr. Campbell-Savours) has pointed out, the price of land and of houses is determined not by the tax but by the market. Contrary to the claims of the hon. Member for Mid-Staffordshire, development land tax has not been responsible for the increase in house prices.

The hon. Member for Bournemouth, West (Mr. Butterfill) offered a much more sophisticated explanation of the economics of development. He said that, if the tax is removed, landowners will put land on the market, which will reduce the price. But when the rate was reduced from 80 per cent. to 60 per cent. and the exemption was increased from £10,000 per year to £50,000 per year and then to £75,000 per year, no evidence emerged—and the Economic Secretary has produced none today—to suggest that those changes resulted in any extra land coming forward. When the Labour Government introduced the tax at 80 per cent., Conservative Members claimed that if only the rate could be reduced to 60 per

cent., land would be put on the market. The rate was reduced to 60 per cent. six years ago, but we are still waiting to see all that land being released for development.

Then the hon. Member for Mid-Staffordshire says that the supply of land will increase only if there is free operation of market forces. I prefer the words used by the hon Member for Wolverhampton, South-West when he pointed out on a previous occasion that the granting of planning permission was a distortion of the free market. It is disappointing that there has been no contribution on this from the Liberals on this issue today. I understand that they were much more forthcoming some years ago. When John Pardoe represented the constituency of Cornwall, North, he pointed out that there was no such thing as a free market in development land and that the supply was limited by definition to what the planning officials were prepared to draw their pencils round. In other words, the supply is artificial. The supply is created by planning decisions, and the value of the land is created by those planning decisions. It is thus right that a proportion of that value should return to the community.

If there were any validity in the argument that a change in the fiscal arrangements would release land for building, why did the report on land for housing produced by the Select Committee on the Environment in the Session 1983-84 fail to mention this point? That three-volume report identified a whole list of obstacles to the release of land for housing, but there was not one reference to the effect of development land tax. There is no valid evidence to suggest that the tax is preventing land from becoming available for house building.

The other argument adduced by the Economic Secretary in his attempt to justify the abolition of development land tax was that the tax was paid not by individuals but by companies. I believe that he is wrong. I have studied the assessments for the calendar year ending 31 December 1983 by status of taxpayer set out in the Inland Revenue statistics for 1984. Those figures show that over a period of four years, disposals of land by individuals and trustees were greater than those made by companies and builders, that the value of the land involved was greater, and that the tax paid by individuals and trustees was more than double that paid by land companies and builders. I think that the Economic Secretary has got his figures wrong. If there is a fault in my research, no doubt he will write to me to explain why his statistics do not match those of the Inland Revenue.

The Economic Secretary also told us that the tax should be abolished because it is expensive to collect. He informed us that collection cost 7 per cent. of revenue, and he also referred to the calculation—it is the same figure put differently—that it cost £1 for every £13 of revenue. Those figures were valid in 1983. In the Finance Act 1984, this Conservative Government increased exemption from £50,000 to £75,000, and when asked to justify it, they told the Committee that it would remove no less than one third of the transactions from liability to tax—the transactions which produced the least revenue. Therefore, I suggest that the Economic Secretary has got his figures wrong. He referred to the figures for 1983, but the position was changed by the Finance Act 1984. He voted for that provision, whereas the Labour party voted against it. The hon. Gentleman was there, but obviously was not listening to the Chief Secretary.

8 pm

The Economic Secretary was most unfair to the Committee when he referred to two companies—which understandably he did not and could not name—which would not move from their factories because they feared the imposition of development land tax. The hon. Gentleman knows that there are exemptions for companies which use premises for their own manufacturing activity, and that if they were in those premises for 12 years or more, they were not liable for tax.

I do not accuse the Minister of breaking faith as a Treasury Minister in referring to them because he was given the information by his hon. Friends. However, such evidence should be placed before the Committee so that the Opposition can know who these companies are. We need to know much more about those companies and their circumstances before the Minister can reasonably expect the Opposition to accept his argument.

The hon. Gentleman referred to a list of organisations which welcomed the abolition of DLT. I did not write the names down, but I was left with the thought, "They would, wouldn't they?" He said that they claimed that abolition would lead to more land being made available. We do not believe it. That is an excuse to justify the giveaway, just like the excuse to justify the reduction of tax paid by people on the highest incomes. This Government always say that a reduction in the tax paid by people on the highest incomes will lead to more jobs for the unemployed, but after six years we are still waiting for the evidence.

Not only Socialists support the idea of taxing unearned gains from the development value of land; as my hon. Friend the Member for Great Grimsby (Mr. Mitchell) said, this cause has been advocated by Liberals and radicals for years. Past and, I hope, present Liberals believe that this tax should be levied. Only a few years ago, the Conservatives also joined us in a great consensus on this issue, but they have now changed their minds. When the tax was introduced, Conservatives accepted the argument for a special tax on these windfall gains. That was when they were in opposition. Now they are in government, and they are using the opportunity to give away £73 million to wealthy landowners.

Question put, That the clause stand part of the Bill:

The Committee divided: Ayes 184, Noes 117.

Division No. 202] **[8.3 pm**

AYES

Adley, Robert	Browne, John
Alexander, Richard	Bruinvels, Peter
Arnold, Tom	Buck, Sir Antony
Ashby, David	Budgen, Nick
Aspinwall, Jack	Bulmer, Esmond
Atkins, Robert *(South Ribble)*	Butterfill, John
Atkinson, David *(B'm'th E)*	Carlisle, John *(N Luton)*
Baker, Nicholas *(N Dorset)*	Carlisle, Kenneth *(Lincoln)*
Batiste, Spencer	Carlisle, Rt Hon M. *(W'ton S)*
Beaumont-Dark, Anthony	Cash, William
Bellingham, Henry	Channon, Rt Hon Paul
Bendall, Vivian	Chope, Christopher
Best, Keith	Clegg, Sir Walter
Biffen, Rt Hon John	Cockeram, Eric
Blackburn, John	Colvin, Michael
Blaker, Rt Hon Sir Peter	Conway, Derek
Boscawen, Hon Robert	Coombs, Simon
Bottomley, Peter	Cope, John
Bowden, A. *(Brighton K'to'n)*	Couchman, James
Bowden, Gerald *(Dulwich)*	Critchley, Julian
Brandon-Bravo, Martin	Currie, Mrs Edwina
Brinton, Tim	Dickens, Geoffrey
Brown, M. *(Brigg & Cl'thpes)*	Dorrell, Stephen

Dover, Den
Dunn, Robert
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Forman, Nigel
Fox, Marcus
Franks, Cecil
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Goodhart, Sir Philip
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hargreaves, Kenneth
Haselhurst, Alan
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Heathcoat-Amory, David
Heddle, John
Hickmet, Richard
Hicks, Robert
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Howell, Ralph *(N Norfolk)*
Hunt, John *(Ravensbourne)*
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Latham, Michael
Lawler, Geoffrey
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lyell, Nicholas
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
Maclean, David John
Major, John
Maples, John
Mather, Carol
Maude, Hon Francis
Merchant, Piers
Moore, John
Nicholls, Patrick
Page, Richard *(Herts SW)*
Parris, Matthew
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Powell, William *(Corby)*
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Rost, Peter
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Silvester, Fred
Sims, Roger
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Ian *(N Hertf'dshire)*
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thornton, Malcolm
Thurnham, Peter
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Yeo, Tim

Tellers for the Ayes:
Mr. Michael Neubert and
Mr. Tony Durrant.

NOES

Alton, David
Archer, Rt Hon Peter
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Bray, Dr Jeremy
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Clark, Dr David *(S Shields)*
Clay, Robert
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Cowans, Harry
Craigen, J. M.
Dalyell, Tam
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Gourlay, Harry
Hamilton, James *(M'well N)*
Hardy, Peter
Hart, Rt Hon Dame Judith
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Howell, Rt Hon D. *(S'heath)*
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Maynard, Miss Joan
Meadowcroft, Michael
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Richardson, Ms Jo
Short, Ms Clare *(Ladywood)*
Skinner, Dennis
Snape, Peter
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Strang, Gavin
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Tinn, James
Torney, Tom
Wallace, James
Wareing, Robert
Wilson, Gordon
Winnick, David

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Austin Mitchell.

Question accordingly agreed to.

Clause 87 ordered to stand part of the Bill.

Schedule 22 agreed to.

Bill (Clauses 3, 10, 35, 40, 54, 64, 87; and Schedules 12, 16 and 22), reported, without amendment; to lie upon the Table.

Sports and Recreational Facilities

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Sainsbury.]*

8.17 pm

Mr. John Carlisle (Luton, North): During the last Adjournment debate that I initiated, on the subject of sporting links with South Africa, my hon. Friend the Under-Secretary of State for the Environment commenced his remarks by telling me that he felt that I had said some things which, in his words, were better left unsaid. Since we now have a fair amount of time for this debate, I hope that he will take ample opportunity, as possibly will other hon. Members, to explore this very relevant and important subject of the loss of playing fields and sports facilities.

I am particularly grateful to you, Mr. Deputy Speaker, for the opportunity to enlarge upon this subject because of my deep disappointment that on 25 January I was allowed only a few minutes in which to introduce my Sports Fields and Recreational Facilities Bill. I was disappointed because of a seemingly deliberate Government tactic to prevent me from developing the argument. I was also disappointed because other hon. Members who wanted to speak were unable to do so. My disappointment was best summed up by Mr. Peter Lawson, the secretary of the Central Council of Physical Recreation, who referred to the Bill being

"callously talked out by indifferent and insensitive politicians."

Many sportsmen and others cannot understand parliamentary procedure, and it is disappointing that a fairly modest Bill which would have cost the Government very little was deliberately talked out and now has very little chance of reaching the statute book. That is why I am particularly grateful for this opportunity, not to go over old ground again but to provide fresh evidence and, moreover, give my hon. Friend the opportunity to make a full and detailed reply.

At a time when relations between Parliament and sportsmen are probably at an all-time low because of the various controversies involving football hooliganism, the abolition of the Greater London council and the consequential uncertainty for sport and the controversy surrounding the Sports Council, it does this House no good if certain modest and reasonable Bills which have all-party support are prevented from being discussed on the Floor of the House. I hope that this Adjournment debate will give an opportunity to the Government and my hon. Friend to mend a few of the fences which were broken on the previous occasion. That is the first reason that I bring this subject to the attention of the House.

The second reason is the welter of correspondence that I have received since the Bill was launched in December and the mass of evidence that has been brought to my attention, to the attention of other hon. Members and to the CCPR of the real threat to our sports facilities and playing fields. There is a real danger that some of those facilities are being lost. Perhaps the biggest problem of all is that nobody seems to know, not even Her Majesty's Government, exactly how much land has been lost and what land is in danger of being developed.

Since the short debate on the Sports Fields and Recreational Facilities Bill, I have received numerous pieces of evidence from a mass of individuals and some fairly high-powered organisations. For example, the National Playing Fields Association has been in touch with me, as has the London Sports Council; the National Council for Schools' Sports; Hampshire county council; Highgate Harriers athletics club, an old and famous club; the Football Association; the Association of Kent Cricket Clubs; numerous residents groups throughout the country, mainly from England but some from Wales; numerous parent-teacher associations, local councils and local councillors and numerous individuals from cities, towns and the countryside, all with a genuine fear that our sports fields and facilities are under threat from developers and that we in the House, and we as a Government, are not taking enough notice of that threat.

Let me quote three examples to illustrate my point. An article appeared in *The Birmingham Post* which will be of particular interest to the right hon. Member for Birmingham, Small Heath (Mr. Howell), who I am pleased to see in his place on the Opposition Benches. A long article talks about

"The lost fields of glory".

It talks about the fight that various authorities and interested parties have been taking to Birmingham over the past few years and the rather desperate plight in which they now find themselves. As the article says:

"in the past five years they have been too late to save 10 industrial or social club football pitches"—

"they" being the Sports Council—

"too late to stop four cricket squares and one rugby pitch from being ploughed up; too late to prevent 11 netball courts, three bowling greens and 21 tennis courts from closure; too late to rescue 43·3 acres of lost land in Birmingham 1972-80, 24·6 acres in Wolverhampton, four acres in Dudley, 11·1 acres in Sandwell, 11·5 acres in Walsall; nearly 100 acres in all. And these figures are by no means complete. They were supplied by industry—who, often the guilty party, was being asked to give evidence against itself."

In the same article the local area chairman, Judith Mackay, is quoted as saying:

"We must take aggressive action to preserve and improve. And people must be alert to possible closures. One borough council asked us what we knew about one site and it was discovered by accident that five or six others were in jeopardy."

I do not believe that Birmingham is an isolated case in the instances that I have just listed.

I received a letter from the British Amateur Rugby League Association which, again, will be of particular interest to my hon. Friend the Minister, who I believe was at the magnificent rugby league cup final on Saturday.

Mr. Doug Hoyle (Warrington, North): It was a good result as well.

Mr. Carlisle: It may well have been. I accept that from the hon. Gentleman.

In a letter to me dated 25 January 1985 the British Amateur Rugby League Association said:

"One of our major problems has been acquiring playing fields to cope with our phenomenal growth in recent years, and I know that many other sports also have difficulties in acquiring playing fields."

The third quote I received only this evening from the chairman of Chelsea football club, from where I was prevented from going to watch my team, Luton, in action by the earliness of this debate. I spoke to Ken Bates, the chairman, who has been in correspondence with me about the Bill and who has expressed his disappointment that the Government did not see fit to give it more time. He says:

"We owe it to succeeding generations to preserve our playing facilities at all levels of the game."

That is from the chairman of one of the most successful first division sides in the country.

[Mr. Carlisle]

Finally, let me quote the words of my hon. Friend the Minister at the CCPR conference on 23 November 1981 in Bournemouth, when he talked about land use. He said:

"We must all use our imagination. With land, for example, that precious resource we must harbour for our and future generations, we must keep and make the most of what we have. We must also watch opportunities for extending our stock. For example, there is sometimes available land of apparently poor potential; that is small or oddly shaped and of little use to the conventional builder or developer. This land may well be sold cheaply and could then be used for a range of sporting activities — squash courts, or urban ski slopes, kick-about areas or playgrounds."

I am sure that my hon. Friend will remember that well and I think that every hon. Member will support those words.

Of the various powerful lobbies that have brought evidence before me, the two most powerful are the CCPR, which I have already mentioned, and the Sports Council. At the annual general meeting of the CCPR about two weeks ago the matter was brought up yet again. In his report at that meeting, the chairman again emphasised the sale of so-called surplus playing fields and the CCPR's alarm that that matter was not being closely monitored by the Government. That particular meeting was presided over by His Royal Highness Prince Philip. He is an interested party in this subject and is also president of the National Playing Fields Association.

The chairman of the CCPR, speaking with the authority that he does, has time after time brought the matter, as indeed has the CCPR, to the attention of hon. Members and the Government. They have fought and instigated a vigorous campaign which resulted in a document which they circulated to all hon. Members, called "Sports Fields at Risk".

The CCPR also has a national register which in 1982 reported that some 2,370 acres were on the land register for disposal, and within a year another 1,277 acres were added to that survey. The estimated acreage now is some 5,500 which is on the register of land subject to disposal. The CCPR has for some time urged the Government to remove that land from the land register. I shall be interested to hear what my hon. Friend has to say about that. Suffice it to say that vast tracts of land are at risk because they are on the land register.

Of course not every acre and playing field could justifiably be kept for sports facilities, but those figures show the magnitude of the problem that we face. In the "Sports Fields at Risk" pamphlet, the CCPR concentrates almost entirely on falling rolls in schools. It quoted DES figures that between 1983 and 1990 rolls will fall by some 23 per cent. in the secondary sector. There is no doubt that local education authorities, under the DES instruction of pamphlet 909, are considering selling more land now for building than ever before.

We should not be surprised at that, given the falling rolls. I understand that some fields are bound to come up for reasonable disposal. But what worries me is that when the numbers start to rise again, as they will—there is already some sign of that — some sports fields and facilities will have been developed and will be concrete for ever.

I am also worried that in some inner city and urban areas children whose only fields are school sports fields will, when that school closes, find that a blade of grass is almost a rarity, which people have only in their gardens. Space in towns and cities must be conserved. It is a sad fact that the Inner London education authority is bussing children out of town because no space for games is available near their schools.

Another powerful lobby, the Sports Council, has expressed concern about the Minister's co-operation. I add my tribute to that of the Minister to the retiring chairman, Mr. Dick Jeeps, who spoke up for sportsmen and for their freedom to play wherever they want to play. He was a tireless worker and will be a great loss to the Sports Council. I regret the manner of his going. But perhaps we should not discuss that tonight. He will be sorely missed and it is unfortunate that he thought it necessary to resign.

The Sports Council produced in 1984 a document on the loss of industrial sports grounds and set out the targets that should be acknowledged as interest in sport grows. For example, about 3 million people play soccer—and the numbers are rising. In almost every town and village all the available pitches are used fully. In Birmingham, 44 pitches are still needed by the Birmingham football association.

The Football Association says that in 1971 a total of 36,904 clubs were members. In 1980, the last year for which figures are available, membership had risen to 39,730 clubs. The Rugby Football Union reported a membership in 1965 of fewer than 1,000 clubs. In 1979 it reported 1,840 clubs as members. If sports fields continue to disappear and be developed, the need for them will outstrip the facilities, particularly as the amount of leisure available increases alongside the popularity of the sports.

The Sports Council, funded by the taxpayers, states in its document:

"The basic conclusion is that the loss of one strategically located playing field can be critically important."

A field which is no longer available is lost forever.

We should look ahead and hope for constructive movements. I salute the Government's attempts, through the Sports Council, to make people more active in sport, but the facilities must be made available. It is nonsense to spend £500,000 on encouraging people to be active in sport when pitches are being lost to the developers. We must take account of the increasing number of school leavers who will want sports facilities. All our citizens are bound to have more leisure time. We must consider the health of our citizens. The Government are trying to promote healthy activities, but they must provide facilities for the various sports.

We must also think about conservation. The Wildlife and Countryside Act is popular and well used. It has conserved parts of the country that would have been lost without it. Perhaps special parcels of land should be set aside for sport so that they cannot be built upon. In terms of national prestige I am also worried about the quality of our national games, particularly those played upon grass fields. If pitches are not available that must have some effect on how well we do.

I support the Government stance on the Olympic games. It would be a great fillip to sport if the Olympic games came to Britain, but it would be a shame if the number of pitches and fields available on which people can train were reduced.

No one seems to know exactly what the problem is. No Government Department has been able to tell me what acreage of school playing fields has been lost. I pay tribute

to the initiatives taken industrially with the 100 firms. However, the Government should not be remembered for losing playing fields and other sports facilities for ever.

8.36 pm

Mr. Tam Dalyell (Linlithgow): I disagree deeply with the hon. Member for Luton, North (Mr. Carlisle) on a number of issues, but tonight he has done a considerable service to the House by choosing this subject and by the manner in which he has described some difficult problems.

I am a member of the main organising committee of the 1986 Commonwealth games in Edinburgh. My capacity is not merely honorary, because I have attended all but one of the meetings and I have taken my membership extremely seriously.

I must say bluntly that bids for hosting the Olympic games — whether by Manchester, Birmingham or London—will be harmed unless we can be sure that the Commonwealth games will be organised efficiently in the best British tradition. It will do no one a disservice if I say that that is in doubt. I speak frankly as a member of the organising committee, with butterflies in my stomach about what will happen in 1986.

My right hon. Friend for Birmingham, Small Heath (Mr. Howell) and I went to many of the functions and events organised in 1970. We were relaxed because we thought that the Edinburgh games would be a success. I pay tribute to Sir Herbert Brechin, who was chairman of the games committee, and others. We never had any doubts that on the day all would be well. However, today, a year ahead, I have a queasy feeling about the 1986 games. Does the Minister share the uncomfortable feelings and suspicions that all might not be well on the day?

There are a number of issues involved, one being the vexed question of the velodrome. Rightly or wrongly, it has been open to the wind and rain and is warped. I have seen it and I know that it is unsafe in anything like its present condition. It will not be acceptable to cyclists riding at any speed. Does the Minister share our concern? If so, what should be done? If we do nothing, either we will come into disrepute not only with the cycling fraternity but with many others who believed that Edinburgh could provide the facilities. We need a new velodrome, which must be covered at considerable expense or it will go the same way as the present velodrome in the Scottish climate. We must face the fact that we cannot have an open-air velodrome. That means money with a capital M——

Mr. Deputy Speaker (Sir Paul Dean): Order. I realise that the hon. Gentleman is raising an important point, but it is a little wide of the subject of the Adjournment. The Minister might find it difficult to reply to his points. Perhaps he could relate his remarks to the subject of the Adjournment, which is the loss of sports and recreational facilities.

Mr. Denis Howell (Birmingham, Small Heath): With the greatest respect, Mr. Deputy Speaker, although I understand your ruling, you will appreciate that all the facilities to be provided for the Commonwealth games and, if we have them, the Olympic games, will be designed and intended for the recreation of the mass of ordinary people. Therefore, the subject of the velodrome to be provided for the Commonwealth games in Edinburgh must be important to the recreational needs of Scotland. I ask you to consider that aspect.

Mr. Deputy Speaker: I am grateful to the right hon. Gentleman. I am sure that the hon. Member for Linlithgow (Mr. Dalyell) will be able to link his remarks to the subject of the Adjournment.

Mr. Dalyell: The subject on the Order Paper is the loss of sports and recreational facilities. I am talking about the loss of a velodrome, which is definitely a sports and recrational facility. Because of a whole series of circumstances and because of an unwillingness to pay the money to cover the velodrome last time around, we now have an unsatisfactory velodrome. Are we to turn to our Commonwealth partners and say, "Sorry, we cannot afford to do anything about it."? At the end of the day, the reputation of the British people and the Government are at stake. If we say sorry to the cyclists at this stage, questions will be raised about our fitness to provide facilities. I emphasise that it is no good bidding for the Olympic games if we have a smudge on our copy book because we have not provided the promised facilities for the Commonwealth games.

I do not want to go into the problems of facilities for boxing and various other sports, unless the Minister would like to say something about that. The problems are real, but the subject may be out of order. However, it is legitimate to raise a matter that worries the organising committee of the Commonwealth games. What happens if, at the last moment, Commonwealth countries decide to pull out of the games because of the New Zealand rugby tour? It is high time—and the sooner the better—that the Government made it clear to the New Zealand Government that we disapprove of the rugby tour of South Africa——

Mr. John Carlisle: No.

Mr. Dalyell: I know that the hon. Gentleman takes a different view, but I am entitled to say that we are concerned about a fiasco at the last moment. I want to know what the Minister thinks about it. There is only a year to go and time is not on our side.

My hon. Friend the Member for Falkirk, East (Mr. Ewing), amid some ribaldry during Question Time this afternoon because he was thought to be paddling a Scottish canoe, said that if there was a bid for the Olympic games we should do what other countries have done and have some of the events 400 or 500 miles away from the main centre—as, indeed, happened at Los Angeles. I support the serious bid by Manchester, which I visited recently. There is a considerable argument for staging the Olympic games in a city in the north of England. However, I hope that serious thought will be given to the possibility of spreading some of the events.

I have known Colonel Satterthwaite since my Army days and I pay tribute to him for what he has done. At one stage he had the dubious distinction of being my commanding officer. I think highly of him. For more than 30 years he has played a great part in the provision of facilities. Like the hon. Member for Luton, North, I have listened to his arguments and I hope that the work of the National Playing Fields Association will be fully supported. I agree with the hon. Gentleman about the CCPR and the falling rolls—a problem that has been fully explained by our mutual friend, Mr. Peter Lawson.

[Mr. Dalyell]

I was attracted by the hon. Gentleman's idea of SSSIs. Planning permission for valuable community land is far too easily given by local authorities of all parties, which should know better, for short-term financial gain.

Mr. John Carlisle: Perhaps the hon. Gentleman will agree that in many cases unfortunate decisions are made by the Secretaries of State on appeal. In several cases where local authorities have been against development, the Secretary of State concerned allowed the development to go ahead. That is why the Government should be involved.

Mr. Dalyell: I know of two such cases, and it was wrong of the Secretaries of State involved to give assent to development plans. They involved traditional sporting facilities in communities, and one was the responsibility of the Secretary of State for Scotland. It is no good saying that there are alternatives, because they all take time.

I echo the question posed by the hon. Member for Luton, North. What about SSSIs for sporting facilities? Together with my right hon. Friend the Member for Birmingham, Small Heath I spent 100 hours of my life in the Committee stage of the Wildlife and Countryside Act and I know the difficulty of SSSIs, but, given the frailty of certain local authorities and certain Secretaries of State —and not confined to one party—there is an argument for SSSIs. I do not expect the Minister to produce an answer off the top of his head tonight, but it is an idea worth consideration.

I do not want to rub salt in the wounds, because I know that the Scottish Conservative party conference is taking place and I do not want to take advantage of grief. The West Lothian county cricket club ground at Bogfall, which is a modest ground with small attendances, is paying twice the rates of the place where I shall be making a speech on Monday evening—the city of Worcester. Worcester has a famous county cricket ground that welcomes the Australians and heaven knows who else, but it pays half the rates of the modest Linlithgow ground.

This is not the time to go into the problem of Scottish rating, but there is a heck of a problem for junior football clubs, cricket clubs and other sporting facilities that are being hit amidships by the level of rates. However, if anyone could have offered comforting words on that subject, it would have been done before now. I cannot restrain myself from saying that it is a very real problem for sporting facilities in Scotland.

8.50 pm

Mr. Martin M. Brandon-Bravo (Nottingham, South): I was pleased to be a co-sponsor of the Sports Fields and Recreational Facilities Bill which my hon. Friend the Member for Luton, North (Mr. Carlisle) presented some weeks ago. In that measure, he sought to establish a form of registration of sporting land, and I entirely support his concern for the protection of land that is suitable or is currently being used for sporting and recreational purposes.

In a climate of high unemployment — a social problem that will be with us for a long time—the ability to offer the people an outlet for their energies by way of sporting activities is a small but important way of easing the depressing burden of enforced idleness due to unemployment.

I accept that not all land is being used properly. I have no doubt that, on careful inquiry, it might be found that some land is surplus to requirements or is unsuitable. However, we should handle this issue with the greatest care because land currently being used for recreational purposes, once lost is extremely difficult to bring back into that use.

I particularly draw the attention of the Minister to what I can only describe as the extraordinary activities—I am being remarkably polite in using that phraseology—of my county council in Nottinghamshire. A memorandum in October 1983 said:

"As you know, neither the Chairman of the Education Committee nor the Director of Education is aware of the investigations which have been taking place."

In a letter, one of the officers wrote:

"No site has been discussed with the District Councils and it is quite possible, therefore, that these proposals may well conflict with the thoughts and ideas of the District Councils."

I was one of those district councillors. I was indeed highly surprised at the outcome of those so-called investigations and the bald announcement that large areas of land in my area were up for grabs. Many of them were school playing fields that were properly being used for sport and recreation, and they should continue in that use. Happily, some of our district councils have used the planning mechanism to ensure that that little subterfuge did not become a practical reality, at least not in large measure.

Precisely because of that behind-closed-doors practice, which is still possible, we must seek from the Minister some way of protecting ourselves against the loss of sporting and recreational land in that way. We talk of local autonomy, local democracy and so on. Nevertheless, this place must have a role in national policy in this sphere and must offer hon. Members a means by which we can protect ourselves if and when a local authority abuses the autonomy that it is given. There must be a means by which we can say, "That is unreasonable. That is unjust. You are selling land in your area that is rightly reserved for recreation."

It was reasonable, therefore, for my hon. Friend the Member for Luton, North to seek a mechanism by which the public at large would be aware of the existence of a register of land designated for sport and recreation. Then, if a local authority — it would be acting properly in certain circumstances — claimed that certain land was surplus, that would be public knowledge, there would be public discussion and the ultimate decision would be reasonable and fair and be seen to be so. At present, under existing legislation, that protection is not available because there is no such register. I know what happened in my county. I would not wish it to happen elsewhere.

8.55 pm

Mr. Denis Howell (Birmingham, Small Heath): I congratulate the hon. Member for Luton, North (Mr. Carlisle) on taking advantage of the opportunity to widen the scope of the Adjournment debate that he has initiated. I also congratulate him on following through from his unfortunate experience with his private Member's Bill.

We have far too few debates on sport, as I know from experience. I am sure that the Minister shares that view. Indeed, it does not help Ministers if pressure is not placed on them by hon. Members and if insufficient interest is shown in the whole subject.

As we are discussing recreational facilities for the broad mass of the people, I can tell the House from experience

that sport is a cultural pursuit—it is the people's culture — which attracts the excitement and attention of a greater proportion of the population than is attracted to any other leisure pursuit, and I define "sport" in terms of recreation, too. We are, therefore, grateful to the hon. Member for Luton, North not only for providing this opportunity but for raising half a dozen or more subjects of considerable interest.

I join him in expressing appreciation to Mr. Dick Jeeps for his work as chairman of the Sports Council. He was originally appointed by me. He brought a breath of fresh air into that organisation and we are grateful to him for that. The hon. Gentleman referred to Mr. Jeeps' comments about sportsmen playing wherever they wished to play. I am not sure that in public Mr. Jeeps went as far as the hon. Gentleman suggested, although in private he may well have done so, and that is the one reservation I have about his chairmanship. Nevertheless, the House should express its appreciation to him, as I do from the Labour Benches and as I am sure the Minister will.

The Minister will forgive me for saying that if the newspaper reports are accurate about Mr. Jeeps' successor, we on these Benches will be glad to welcome him. When I was Minister, Mr. John Smith produced an outstanding report on the future of lawn tennis. He is chairman of one of the most successful football league clubs and is a business man of great acumen.

I do not ask the Minister to comment on whether the rumours are right, in advance of his statement tomorrow, but if the rumours are right, as I believe them to be, we shall be fortunate to get Mr. Smith to give time for the chairmanship of the Sports Council. We wish him well and assure him of our support.

My hon. Friend the Member for Linlithgow (Mr. Dalyell) raised two important points concerning the Olympic games and the Commonwealth games. I have always believed that one cannot divorce the relationship between sport at the highest echelons—the winning at that level of gold medals and the rest — from the inspirational effect that that has for large numbers of youngsters at the grass roots of society. The two aspects are linked.

Whenever Britain has been successful in sporting events—recently, we had four distinguished gold medal winners in ice skating events and, going back to my days as Minister, I recall when Ann Jones won at Wimbledon —there has been an upsurge of interest in sport. The tragedy is that we are not prepared to provide the necessary facilities for people who think, "If Torvill and Dean can win a gold medal, perhaps I should have a go at that." The justification for Britain's participation in international sport—apart from the fact that it inspires pride in our country, establishes goodwill internationally and sets standards—has always been the inspiration to play sport that it creates throughout the land, and that should not be taken lightly. Britain's bid for the Olympic games, in which, I believe, the Under-Secretary of State is very much involved, is justified on the ground that the games will create enormous interest and result in new facilities.

It is important to consider who will finance the games, which may cost several hundreds of millions of pounds. I understand that the Under-Secretary of State says that he would like a private enterprise Olympic games, as was the case in Los Angeles. That is why the hon. Gentleman has supported the proposal and has encouraged various cities, including London, to bid for the games. One would hope that private money would be raised to finance the games, but an enormous amount of public money must also be found and decisions of great public importance must be made. Each of the cities involved in the bidding — whether it is London, Birmingham, Manchester or anywhere else—is short on infrastructure and facilities. It will cost a great deal of money to provide them. For example, London has nowhere to put a village. It would have to build a village capable of housing between 16,000 and 18,000 people. That would require public investment. That was the point that I was trying to make during Question Time today. Even if London has the necessary stadiums and private enterprise facilities, an enormous amount of public investment is still required.

The bid to host the Olympic games will not be taken seriously until the Government state their intentions with regard to providing opportunities and infrastructure. The Government's silence on those matters has created great concern.

Mr. Brandon-Bravo: The right hon. Gentleman has mentioned those cities that are bidding to host the Olympic games. I join him in hoping that Britain succeeds. Will the right hon. Gentleman join me in putting Nottingham's claims to my hon. Friend the Under-Secretary of State? That city — the "queen of the midlands" — has the national water sports centre and has the ability to be the venue for three of the Olympic disciplines. It does not need a penny to be spent on infrastructure, because the infrastructure is already there.

Mr. Howell: As I was partly responsible for the decision to site the national water sports centre in Nottingham, I fully endorse the hon. Gentleman's point. We are unlikely to be able to hold the rowing and canoeing events in a city other than Nottingham. Nottingham is bound to play a central role. A word of warning is necessary, however. It is a city that must bid for the Olympic games. With the exception of the rowing and canoeing events, possibly the shooting and equestrian events and the yachting events, which obviously cannot take place in a city but must take place near a coastal area, the International Olympic Committee will expect all events to be held within a city. The IOC will expect one village and not two, as was the case in Los Angeles, to be created. That is why I referred earlier to the siting of an Olympic village. I think that what happened in this respect in Los Angeles will never be repeated.

Mr. John Carlisle: I regret that I was not in the House this afternoon at Question Time, but I was helping to open a sports facility at Flitwick in my constituency. Will the right hon. Gentleman allay the fears that some of us have about some of his earlier reported remarks? When it was mooted that the Olympic games should come to a British city, he gave the impression that he was somewhat against the idea. Can we have his categorical assurance that he would fully support the British Olympic Association and any part that the Government may have to play if the Olympic games were to come to this country?

Mr. Howell: I do not know why Conservative Members persist in leading with their chins. The hon. Gentleman has done so. I shall support the bid and in 1979 when I was the Minister responsible for sport I said that the British Olympic Association's bid to bring the games to this country had the Government's full support. I do not

[Mr. Howell]

blame the Minister, but the incoming Conservative Government promptly ditched that bid. If they had not done so, we should have had the 1988 Olympic games, which are due to be held in Seoul. The Conservative Government were completely opposed to the idea and refused to support the British Olympic Association. I do not want to go over history. I am glad of the conversion and I support the bid.

The hon. Member for Luton, North may have misunderstood my comments. There is some scepticism in the world of sport about the ability of anywhere, except possibly Barcelona, to hold the 1992 games. Barcelona is the home town of the president of the International Olympic Committee. He is likely to retire in 1992 and he is committed to having the games in his country in that year. I understand that.

I fully support the bid, if it is a practical proposition, but I think one is entitled to express realism or scepticism.

I am grateful to my hon. Friend the Member for Linlithgow for mentioning the Edinburgh games. We are back to the essential problem of the Olympic bid—what money are the Government prepared to put into the games? My hon. Friend kindly mentioned the 1970 games with which I was considerably involved. The Labour Government gave financial support. The existing stadium — not the swimming pool which, to its credit, Edinburgh council built—and the velodrome were the result of considerable Government investment.

As I understand it, the Government have not offered a penny to Edinburgh for the 1986 games, and have no intention of doing so. That is not the way to convince the world that we are serious about international sport. Some things are rightly left to private enterprise. I am not against that, but I am against them being left completely to private enterprise.

The Minister should ensure that funds are available for the velodrome, which is a matter of great anxiety. It will be a tragedy if those facilities are not provided. I know that the Minister is as anxious as we are that the games should succeed. I ask him to intervene, and if funds are a difficulty, to ensure that the problems are quickly overcome. It is not asking too much of the Government that they should put some money into facilities for the Edinburgh games.

I shall not comment at length about what my hon. Friend said about the New Zealand rugby tour. I am not sure that he is being as fair to the New Zealand Government as he should be. No Government could have been more forthright. In conference, the Commonwealth Prime Ministers have twice asserted their support for the Gleneagles agreement and the importance of maintaining it. It is no credit to the Rugby Football Union that it persists in following a selfish attitude.

Mr. John Carlisle: They are free people.

Mr. Howell: Of course people are free to take their own decisions, but freedom means accepting responsibilities as well as asserting liberties. The difficulty with the RFU is that it asserts its liberties but refuses to accept responsibility for the state of sport within the Commonwealth or for any sport other than its own. That is a lamentable situation.

I deal next with some of the important points that were raised by the hon. Member for Luton, North. I can endorse almost all that he said. I am grateful to him for referring to the Birmingham experience. A large number of sports grounds have been lost in the area. The hon. Member for Nottingham, South (Mr. Ottaway) made an important point in giving his experience, particularly with regard to planning refusals.

Nothing like enough is being done by planning committees, and certainly by Ministers and Government, to assert the importance of green belt and open space land. When planning requirements are being considered, the role of open space in an urban situation, particularly for people living in towns and cities, is a matter of cardinal importance at an inquiry. I must accept a little responsibility because I served as a Minister at the Department of the Environment, so I am in no way trying to make a point against the Minister in party terms. However, we do not assert sufficiently the need, when inquiries are being held, to include in the equation the community good and the importance of open spaces, playing fields or sports fields.

Industrial sports fields in Birmingham have been lost mainly because industrial sports on a Saturday afternoon are no longer as important as they were when people worked a five-and-a-half-day week before the last war. There has been an enormous change in the number of industrial sports fields. To go back almost 20 years, an inquiry into these matters was conducted by a member of the Sports Council. I asked an eminent executive of ICI, Bob Gibb, to conduct it. We might do well to take the Gibb report on industrial sports fields out of the pigeon hole and consider it again. Its theme was that when a sports field becomes surplus to the use of the employees of a firm, it should go the community as a whole. He also said, rightly, that industrial sports fields should not just be open air, but the concepts of an industrial sports club must include the provision of indoor facilities.

I hope that the Minister will tell the House that he can do something to instruct planning committees and inspectors to take into account the recreational needs of the community as a whole when taking their decisions.

The Government got into difficulties when they issued a recent circular to education authorities and universities instructing them to sell off their surplus land. In an urban situation there cannot be any such surplus sports land at a time when 4 million people are unemployed. The need for a leisure service is greater now than it has ever been in the history of the country. How can we talk about football hooliganism on the one hand, which is an inevitable result of the boredom of the unemployed in society——

Mr. John Carlisle: Nonsense.

Mr. Howell: I take issue with the hon. Gentleman. If one makes an analysis of many of the people who get into trouble, one will discover that this occurs because the discipline of work and of the workplace no longer exists in their lives.

Mr. Carlisle: I challenge what the right hon. Gentleman has said. He stated that football hooliganism was almost a direct result of unemployment. He will understand, because he is much travelled and is experienced in these matters, that in the worst unemployment areas, particularly in the north and sometimes in Scotland, the amount of football hooliganism relative to the the population is tiny. All the

problems that have arisen in the last few months in particular have been in the south. How does the right hon. Gentleman relate the lower unemployment rate in the south and the higher unemployment rate in the north to what he has just said?

Mr. Deputy Speaker: Order. We are going rather wide of the Adjournment debate, which is about the loss of facilities.

Mr. Howell: The problems last Saturday with Manchester City supporters in the hon. Gentleman's constituency had nothing to do with the south of England. That adequately answers the hon. Gentleman's intervention. It could not have had anything to do with the south of England because Notts County was playing Manchester City. The hon. Gentleman will not deny that vandalism and associated problems are on the increase. This debate is about whether we have the facilities, whether they are available to the public and whether we have leadership. It cannot help the 4 million unemployed to sell educational playing fields. I would be astonished if the hon. Gentleman denied that. That is the simple point which I have sought to make in this part of our discussions. I am glad to see from the hon. Gentleman that at least we have reached agreement again.

I shall now deal with the pricing policy of many local authorities for facilities. Although we are debating the loss of facilities, the Government's policy on rates, which effectively prices out the people whom we wish to attract to our sports facilities, is doing no good. I hope that the Minister will think it right to take an initiative on that. Unless we see sport as a social service to the whole community, in the same way as the health and education services are, we shall never get the matter right. It depends on pricing policy.

Many people have come to see me, including some Manchester United supporters. I asked them why they got into trouble, and they replied that they wanted to play five-a-side football but none of the local sports halls would let them in because they could not afford the high charges. Pricing policy is an important aspect of sports halls, swimming baths and similar facilities.

I now come to the rating policy, from which we are suffering. In Birmingham we have recently had an action sport programme. It was well thought out, and designed to have sporting leaders, such as great athletes, going out into local communities to persuade people to use the facilities and to be active. In answer to a question earlier today, the Minister or one of his colleagues said that all our programmes were pump-priming exercises. The Government get them on the road and then hand them over to local authorities. The Sports Council suddenly told Birmingham city council that, although it had paid the whole cost last year, it would pay 50 per cent. this year, 25 per cent. next year and nothing thereafter. That would be all right if Birmingham could spend what it wanted to spend on the programmes within its rate resources. However, a Department of State has told the council that it cannot do that, and that if it does, that Department will rate-cap it and ensure that it limits its expenditure. There is an inherent contradiction in the social policies that the Government wish to follow and the rating policy which prevents local authorities from following that same policy. I do not want to be party political——

Mr. Brandon-Bravo: The right hon. Gentleman is doing very well on that.

Mr. Howell: All the most intelligent statements come from the Labour party, as the hon. Gentleman knows. I am seeking to raise genuine problems, which I hope the Minister will consider. Certainly, rating is a matter of the greatest importance.

Another aspect of rating policy——

Mr. David Ashby (Leicester, North-West): Does the right hon. Gentleman appreciate that rating is a matter of priorities? The local authority must work out its priorities. If it works them out badly and goes over the limits, it will be rate-capped. The right hon. Gentleman's argument is false.

Mr. Deputy Speaker: Order. I hope that the House will not get into a debate about rating policy, which is wide of the subject of the Adjournment debate.

Mr. Howell: You will appreciate, Mr. Deputy Speaker, as I move on to the removal of buses to take school children to playing fields and swimming pools, how related those matters are. It is no good having swimming baths if the local authority cannot afford to transport children to them. That is happening in my constituency. School after school is writing to me and saying, "Because of the restrictions on rating expenditure, the education department has told us that our children cannot go to the playing fields or swimming baths." I simply relate the problem without dwelling on it for too long.

Mr. Brandon-Bravo: The right hon. Gentleman is using the licence of the Chair to an extraordinary extent. Nottinghamshire county council is seeking to prevent children from non-maintained schools—private sector schools—from using swimming baths, playing fields or other facilities that their parents have paid for through rates and taxes. The loss of school buses has nothing to do with the problem. As my hon. Friend the Member for Leicestershire, North-West (Mr. Ashby) said, the priorities are in the hand of the local authority, which has thoroughly abused them.

Mr. Howell: I do not understand the language that the hon. Gentleman is using. If what I said has nothing to do with the problem, why is he raising it? Why is he telling us that the action of Nottinghamshire county council is adversely affecting those people? I shall acquaint myself with the problem, because the leader of Nottinghamshire county council used to be a councillor in my constituency. He is a good friend of mine and I shall talk to him about the matter. I believe that all schoolchildren should be encouraged to use facilities for physical education——

Mr. Ashby *rose*——

Mr. Howell: I shall not give way, because I should incur the displeasure of the Chair.

Mr. Ashby: May I intervene on that point?

Mr. Howell: I cannot give way again, because I have given way many times. I am glad to provide this seminar for Conservative Members.

Mr. Brandon-Bravo: We are interested in the subject.

Mr. Howell: I am glad to hear that, but I shall not give way, because I wish to move on from playing fields and swimming baths——

Mr. Ashby *rose*——

Mr. Howell: No. I am a good referee, and once I have taken a decision I, like you, Mr. Deputy Speaker, stand firm. I do not wish to produce yellow or red cards.

I commend to the Minister the policy in Birmingham, in the hope that he will review it sympathetically. The city council has just decided—it is a magnificent all-party decision — that the use of schools and educational facilities outside school time should be the responsibility of the leisure services department. The Minister and I have made many speeches about the importance of educational facilities being used outside school hours and at weekends. I am glad to report to the House that Birmingham has agreed such a policy. There will be difficulties with the present financial climate, but the policy is that all Birmingham schools, playing fields and swimming pools can be used by the entire community at all times outside school hours. We should be grateful for the lead of Mr. Demian, the director of leisure resources in Birmingham, and for the fact that the proposal has been taken up enthusiastically by party leaders on both sides of the council.

Mr. Ashby: Will the right hon. Gentleman give way?

Mr. Howell: Is it on this point or on the previous point?

Mr. Ashby: It is on this point.

Mr. Howell: I put the hon. Gentleman on his honour.

Mr. Ashby: It is interesting that the right hon. Gentleman has said that Birmingham is trying to encourage all school children to use the facilities. Will he prevail on the Greater London council, particularly the Inner London education authority, to do exactly the same? The GLC has what is really an apartheid policy, in that if one is in the state system, one may use all the facilities, but if one is outside the state system, one does not have a hope. Can we not have equal treatment, because, after all, children are children? Will the right hon. Gentleman prevail on the Labour ILEA to do the same for all children?

Mr. Howell: I am sorry that I gave way, because it is obvious that the hon. Gentleman was referring not to the point that I was on, but to the point made by his hon. Friend the Member for Nottingham, South (Mr. Brandon-Bravo). I shall comment on it only to say that I shall acquaint myself with the problem, which I undertook to do with the hon. Member for Nottingham, South as well.

It is not for us in the House fully to endorse the policy of any one local authority. However, a local authority has now decided unanimously, on an all-party basis, to endorse, after all these years, the very policies that we have been putting forward, to ensure that school facilities are used, and opened up for the adult population at times other than school time. I hope that the Minister will find it possible to say a word of support.

I should like to refer to children's play. I endorse what my hon. Friend the Member for Linlithgow (Mr. Dalyell) said about Colonel Bob Satterthwaite and his wonderful work with the National Playing Fields Association. That organisation has embraced the needs of children's play. The Minister has been coy recently about that area. I remember the Prime Minister making a statement that the hon. Gentleman would be specifically responsible for children's play in future. That announcement was made about two years ago, since when not one word has been uttered about it as far as I can trace. [HON. MEMBERS: "That is not true."] I am pleased to hear it.

The Parliamentary Under-Secretary of State for the Environment (Mr. Neil Macfarlane): Where has the right hon. Gentleman been?

Mr. Howell: I have been watching the Minister, which is probably why I have not heard anything.

If the Minister has been active in the area, perhaps he can tell us what initiatives have been taken to extend play facilities for children around the country. As the National Playing Fields Association does not feel that much has been achieved, I hope that the Minister can set its mind at rest. Only three weeks ago I went to a conference in another part of the House, in which Colonel Bob Satterthwaite was a leading participant, speaking on this subject. He gave instance after instance of the effect of rate support grant policies on the withdrawal of playing facilities for children. Therefore, if the hon. Gentleman has been active and if there is a good story to tell, by now it should have percolated to the National Playing Fields Association and others in that area. I am happy to raise the matter now so that the Minister can inform us about what is happening.

This has been an interesting opportunity to raise many matters that are of mutual concern, even if we do not entirely agree on everything. I am grateful to the hon. Member for Luton, North for raising the matter, and giving the Minister the opportunity to reply in detail to the many points that have been raised.

9.23 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Neil Macfarlane): I checked the Order Paper for 8 May 1985, and began to wonder where I should have been tonight. It states:

"On the Motion for the Adjournment of the House under Standing Order No. 1 Mr. John Carlisle proposes to raise the subject of the loss of sports and recreational facilities."

That is a most important subject. Many equally important subjects have been raised by hon. Members on both sides of the House, but they will understand that the most important element and main thrust of the debate is the subject raised by my hon. Friend the Member for Luton, North (Mr. Carlisle).

My hon. Friend has pursued the matter for some time. He feels passionately about it. I regret that a certain air of levity has entered into the debate with one or two comments by the right hon. Member for Birmingham, Small Heath (Mr. Howell). He must understand that one of the first things that I shall do is to ask my officials to guarantee that between 1964 and 1970, and 1974 and 1979, not one half an acre of land was lost for alternative development purposes. That is one of the most important things that I shall check.

I endorse the comments made by my hon. Friend the Member for Luton, North and by the right hon. Member for Small Heath about the chairman of the Sports Council. I wish to be associated with their comments, and those remarks in the media should not be pursued too far. I regret that Mr. Jeeps is resigning and we all wish him well.

The hon. Member for Linlithgow (Mr. Dalyell) has raised a number of points, and it is difficult for me to comment in too much detail on them. I have been to Edinburgh twice in the past 21 months, given the concern

of Kenneth Borthwick and his committee, to have a look at the various facilities. The hon. Member for Linlithgow understands the roles of the Scottish Office and my Department in this and he knows that I should like to have an update to see where things stand and how things are. I guarantee to pass on his comments to my hon. Friend in the Scottish Office and to try to find out a little more about the programme. I understand the urgency in all this and I wish to try to find out from the organising committee what its views of his comments are, because that is important.

Like the right hon. Member for Small Heath, I do not wish to be party political. However, there must inevitably be a question mark whenever there is extremism in county hall or city halls. There must be mounting anxiety about some people who have made observations and comments, and we see that in a number of city halls.

I shall not comment about the effect of rugby tours because it is too early to do so. The British Lions tour is due to take place in South Africa next year and a tour by the All Blacks may take place next year. That will undoubtedly force its attention on members of the Commonwealth, but I am satisfied that the Government do all that they can to ensure that everybody understands that the Government are full supporters of the Gleneagles declaration. I understand the hon. Member for Linlithgow's concern about these things, but I cannot comment because I am not up-to-date about the precise preparations for the various facilities on which he touched. I shall find out a little more and come back to him later.

Mr. Dalyell: When the hon. Gentleman goes on his visit, will he have a quiet, listening meeting with the Edinburgh district council? It is all very well to talk about extremism in city halls, but they have extreme problems. I assure the hon. Gentleman that Alec Wood and his colleagues have a serious point of view to put. The Minister should listen and talk to them.

Mr. Macfarlane: I listen and talk to everybody who is elected. Sometimes, the vibrations of the actions of people in city halls can have an adverse effect and give rise to failure and lack of confidence, as my hon. Friends would agree.

Many matters have been raised this evening. I cannot comment on all of them, because my hon. Friend the Member for Berkshire, East (Mr. MacKay) has caught your eye, Mr. Deputy Speaker, and is to introduce an Adjournment debate on a subject that interests him. However, my hon. Friend the Member for Luton, North has rightly drawn some specific matters to the attention of the House. Like him, I am anxious to ensure that the Sports Council and the provision of opportunities for sport and recreation today meet the needs of the communities. We are all familiar with the growth in the demand for all manner of sporting activities. We all welcome the increasing participation in recent years, as everyone's leisure time has expanded. We recognise the benefits for the community in health, fitness and sheer enjoyment. As the right hon. Member for Small Heath said, it is the people's culture.

The Government have made clear their commitment to help meet this important need, particularly in the deprived urban and rural areas, so I understand the broader anxieties behind the debate. My hon. Friend the Member for Luton, North shares our concern that there should be adequate facilities for local communities. The debate is not about aims and concerns, because we share them. It is about gaining a balanced assessment of overall provision, taking account of the gains and losses of facilities to gauge the nature and level of a problem about which my hon. Friend has talked, which is undoubtedly real in some areas and situation. I do not deny that for a moment.

My hon. Friend has concentrated on the losses, but we must also consider the general context. He gave a graphic illustration of the losses in Birmingham, as did the right hon. Member for Small Heath, but from my knowledge of that excellent city I should have thought that what the city council has achieved more than compensates for the losses. There are some superb new facilities which automatically reduce the net loss.

All the providers of facilities in this country — the public and private sectors, the voluntary movement, and so on—are united in the aim to achieve more and better facilities and opportunities for sport and recreation. The common efforts have been successful and we must all strive to ensure that that trend continues. There are more and better facilities in this country than there were 20 years ago when some of us here today were more actively and pleasantly employed participating in sport on a regular basis.

For example, we now have the better part of 1,000 public swimming pools and more than 1,000 indoor sports halls of more than 26 m by 16·5 m. In 1970, there were only 24 sports centres in the whole of England. There are now 27 ice rinks, a net gain of 10 since 1970. We have 66 synthetic athletics tracks compared with 12 in 1970, and 210 purpose-built tennis courts compared with 100 in 1970. We now have 50 all-weather artificial grass pitches. In 1970 there were none. There are also many non-grass artificial pitches. We now have more than 1,000 golf courses, 185 indoor bowls halls and 65 artificial ski slopes. It seems that we are now tending to go indoors.

Mr. John Carlisle: I acknowledge those improvements; both Governments can take pride in the additional facilities that have been provided. My hon. Friend will, acknowledge, however, that some of our great national sports — including cricket, his own first love — need grass pitches. Does he agree that if those grass pitches disappear, the compensation offered by indoor or all-weather pitches will not necessarily produce champions in those sports?

Mr. Macfarlane: I sympathise with that observation and I shall come to it in a moment. I wish to emphasise the Government's record, which I am sure is important to my hon. Friend and indeed to the whole House.

First, I remind the House that we have increased the Sports Council grant from £15 million in 1979 to more than £30 million in 1985—a cash increase of more than 100 per cent. In addition, there has been a substantial investment in sport and recreation facilities through my Department's urban programme and other relevant programmes such as the derelict land scheme. Such investment is currently about £35 million per year. More than 1,700 facilities have been built with the aid of central Government funds in the last two years alone.

Of course, the major contribution to providing new and improved facilities has come from local authorities and from the efforts of voluntary bodies and the private sector. In sport and recreation we can still find a common thrust uniting all sectors of the population which I am sure many

[Mr. Macfarlane]

of us would like to see repeated in other areas of endeavour. The private sector, too, has risen to the challenge of increased demand for provision—both on its own and in partnership with the public sector. Excellent examples of recreation provision for all ages and interests are Thorpe Park and Alton Towers and partnership schemes include the new docklands arena and the Westminster children's sports centre.

As the House knows, there has been a particular growth in minority sports. Traditionally, when most of us were at school we played football or rugby and cricket and did some running when it rained. There was not much variety, but nowadays the range of opportunity is almost endless. When the right hon. Member for Small Heath first came to office he probably grant aided about 20 sports. There are now more than 140 governing bodies of sport. This is reflected in the diversity of sports grant aided by the Sports Council. We recognise 150 governing bodies of sport and other sporting bodies such as the British Olympic Association, the Central Council of Physical Recreation, the Sports Aid Foundation and the National Playing Fields Association. I, too, pay tribute to Colonel Satterthwaite and I am much relieved to know that the background of the hon. Member for Linlithgow includes a spell of service under his excellent leadership.

Current grants to governing bodies for 1983-84 totalled £5·8 million for administration, coaching, training and international competition. At the grass roots level, the Sports Council grant aids many clubs and organisations throughout the regions to encourage participation. In 1983-84 it gave capital grants and loans totalling £5·7 million to a wide range of projects.

Many of the new facilities are geared to the boom in interest in indoor activities. This may in part be due to the desire to escape the British weather, but needs change, and the type of provision must reflect that. Indeed, the general household survey has shown that participation in indoor sports more than doubled, from about 10 per cent., or nearly 4 million, of the adult population in 1973, to a massive 22·7 per cent., or more than 8·5 million, in 1980.

The continuing growth in demand for indoor facilities is reflected in the phenomenal increase in indoor sports centres which I quoted earlier. Phenomenal growth means constant demand, and one way in which that demand is being met is the Sports Council's standardised approach to sports halls. This was introduced in 1984 as an off-the-peg local facility built to a standard design with the aim of providing a venue for many facilities. This has developed in partnership with the construction company Bovis. Ten "SASHes", as they were called — standardised approaches to sports halls—were built in 1984, and at Bitterne in Southampton, 6,000 people used the facility on its opening weekend. In Eastbourne, 2,000 memberships were sold during the first two weeks of the operation.

It is interesting to note that the Sports Council has invested some £2·25 million in that initial programme. In 1983-84, grants totalling £2·8 million were allocated towards the provision of 30 local indoor dry facilities, 22 dual indoor dry facilities, six new playing pitches, six upgraded playing pitches, 18 changing room pavilion accommodation facilities, 14 artificial outdoor surfaces, nine new swimming pools, three refurbished pools, 10 water recreational countryside schemes and 19 specialist facilities—for example, for bowls, riding and golf.

I do not apologise for giving that shopping list, because my hon. Friends must understand exactly what the alternative development and diversification now is as a compensation towards the losses which may be occurring in the traditional sort of sports which we played.

Another example is the huge increase in artificial grass pitches, which have many obvious advantages over natural grass. They lend themselves more readily to multi-use, such as hockey, football and volleyball, and to more intensive use. Thereby, they reduce sport's dependence on natural grass.

This range of opportunities and type of provision represents a substantial change and achievement which we should not ignore in a debate of this kind. Some playing field losses may be a result of this change of character of demand, which is now catered for through new provision of a different kind. We now go indoors more than previous generations to play sport.

The general household survey has shown a fall in the number of adults participating in football—perhaps the sport most associated with outdoor "natural grass" playing fields—from 3·3 per cent. of the population in 1977 to 3 per cent. in 1980. The growth rate of football clubs has slowed significantly in the last decade, although there are still some 40,000 clubs, with 1 million people playing each weekend. Perhaps the advent of artificial pitches with their more intensive use may prompt an upward swing in participation. I do not know, but we must be ready for that moment.

On the other hand, water sports recreation has grown phenomenally over the last decade, both in participation and provision. This is an additional sector which my hon. Friend must consider. For example, in 1970 it was estimated that there were 3,280 members of water ski clubs; by 1980, membership had increased to 10,000. In 1970, there were about 31,000 members of sailing clubs; by 1980, that had reached more than 65,000. To match the growth in participation, new facilities have been developed, including Grafham water, Rutland water, Kielder, Cotswold water park, docklands and Thorpe park.

However, our proud record is not just in new provision. We are also very good at making the best use of existing facilities. I am in a particularly good position to make that statement, because a year or so ago I took an initiative to find out how much community use there was of sports facilities owned by industry and commerce. As my hon. Friend knows, I wrote to the chairmen of the 100 top companies and nationalised industries asking them about community use of their facilities. I learned that most of these facilities are already open to the local community, and I am glad to say that the companies concerned have confirmed their commitment to local people and to continuing this vital contribution to the community.

There remains, of course, some potential for expanding community use of industrial facilities. The Sports Council has undertaken discussions at the local level with some of the companies I wrote to, and it looks as if some new opportunities may emerge. The Government, the Sports Council and sports bodies generally must all continue to look for fresh or improved opportunities of this kind, but it is clear that we are already doing very well, and I express

my gratitude to all those companies which are helping us nationally and locally to make the best use of the facilities we have.

Additionally, my colleagues in the Department of Education and Science have confirmed in a recent survey that most schools allow some dual use of their sport and recreational facilities. All of us involved in sport regard schools as a vital stock of facilities. I was encouraged by what the right hon. Member for Small Heath said about Birmingham. My admiration for the director of leisure services in Birmingham is endless. There is scope for opening up new opportunities. We have therefore launched with the Sports Council a new initiative, under the tital "Opening Doors". A very useful booklet has been issued setting out the lessons of good practice through examples from all around the country. I am grateful for the comments of my hon. Friend the Member for Luton, North on this subject. Backing up this fresh publicity is some additional money in the Sports Council's grant for this year and next year for allocation to new dual-use schemes.

In this general context of achievement and progress, losses in facilities must not become a negative force. I understand the concern that we should not take more steps backwards than forwards. That is clearly not the case, as the record of provision shows. A recent survey by the Sports Council clearly showed that in all areas losses are well outweighed by gains in facilities.

No doubt, however, there are losses in particular places that the local community regrets. That is a matter of genuine concern, which I can understand. Some losses are inevitable, as they always have been, when owners, public or private, dispose of land. Land obviously remains a scarce resource in this country. Sometimes it will be used for other pressing local needs—for example, for housing or industry—which my hon. Friend will understand only too well. People need houses in which to live. New units for the new technologies are needed. Progress in this direction is essential.

Here is another important context for this debate. The Government encourage local authorities to dispose of surpluse land. I am sure my colleagues will agree that that must represent sound financial management. We must all take the broad view of need. Sometimes the urgent requirement locally will be for a use other than recreation. That is inevitable. It is up to the local authority. The House will also be aware that falling school rolls inevitably mean that some schools can shed facilities. Statutory instrument 909 prescribes minimum requirements. We should regard it as a protection rather than as a threat, because for the first time ever it provides minimum requirements. I take my hon. Friend's point about the possibility of a marginal increase in the birth rate in some areas which will affect attendance at certain schools. This is possibly a threat, but we can pursue the matter with the Department of Education and Science and find out what the trend is.

There are realities that the House will accept, but let us continue to agree about the objectives and concerns in sports provision. My hon. Friend and I can agree about these, as well as about the realities. However, let me come to the question of what actions might be considered to overcome the problem of losses.

My hon. Friend has suggested in the past, through his recent private Member's Bill, and today that there is a need to centralise control, monitor the loss of sports facilities and introduce new statutory provisions. Is there a need for a new and centralised control? I am bound to wonder whether this is appropriate. The need and demand for any sports facilities can only be assessed locally. Let us look at the existing statutory and local controls to see whether they meet the concern expressed by my hon. Friend.

There are provisions in the planning Acts which give ample opportunities for organisations and individuals to express views and objections on proposed disposals, or changes of use, of recreational facilities. Local inquiries into planning appeals and applications called in for decision by the Secretary of State are normally held in public, giving a further opportunity for interested organisations and individuals to put their views and objections. In addition, schedule 23 to the Local Government, Planning and Land Act 1980 requires local authorities to publish notice of their intentions to dispose of open space land in the local press for at least two weeks. Local authorities are also required to consider any objections before taking any final decisions. Also, of course, any development of privately owned recreational land requires planning permission and must thus be subject to local scrutiny and objection. That is how the system works.

My hon. Friend has also proposed that local authorities and other owners of recreational land should be enabled to sell that land to sports organisations at less than the market value. Local authorities are already able to do this, with the Secretary of State's approval, and similar provisions apply to other bodies mentioned in schedule 16 to the Local Government, Planning and Land Act 1980.

My hon. Friend has also suggested a need to introduce a new requirement, that an applicant for planning permission shall be obliged to accompany his application with a certificate stating whether the proposed development does or does not involve sports facilities, and, where such facilities are involved, that the applicant should notify the Secretary of State of the application.

The first of those requirements, which would apparently apply to all planning applications, would further add to the documentation accompanying applications for planning permission, and to that extent would be contrary to the Government's general policy of reducing such documentation to an absolute minimum.

Moreover, if, as it appears, the essential aim of the proposal is to ensure that all applications involving the development of sports facilities are brought to the attention of the Secretary of State so that he may consider calling them in for his own decision, there are existing powers —in section 25 of the Town and Country Planning Act 1971 and article 15 of the Town and Country Planning General Development Order 1977 — by which that purpose could well be achieved.

However, it would be most unlikely that there would be an extensive use of the powers of call-in of applications relating to sport and recreation facilities. Under the Town and Country Planning Act 1971, Parliament has entrusted the primary responsibility for the day-to-day control of development to local planning authorities. Therefore, it can only be in the exceptional case, where, for example, matters of more than local importance arise, that the Secretary of State's intervention could be justified.

Additionally, the Secretary of State already has a power under section 25 of the 1971 Act to prescribe the form of applications for planning permissions.

Mr. Denis Howell: I am grateful to the Minister for what he has said in the last four or five minutes, because

[Mr. Denis Howell]

it is of considerable importance. It would help to give confidence to sports bodies if he were able to assure the House that when any contested planning application is being decided in his Department where a sports issue has arisen he will be involved in that decision. If he can tell us that, I am sure that it will go a long way to assist us to accept what he is saying.

Mr. Macfarlane: Where applications are brought to the attention of my Department and not resolved locally, I involve myself very much in such issues and developments. That is an integral part of my responsibilities in the Department.

This is a useful debate because it was a pity that technically my hon. Friend's Bill was talked out some months ago. That is a slightly unfair assessment because the Opposition spokesman had only about two minutes on his feet. I do not want the House to be misled. Time was short.

Somewhere there is a misunderstanding by the CCPR about the application of land registers and the role of the Secretary of State and local authorities. It is important to understand that. The suggestion that the Secretary of State should compile a register is inconsistent with our wish to reduce administrative burdens on local authorities and also with the nature of what is essentially a local matter. I do not want us to compile another central register.

Land registers exist to promote the better use of land. They are designed to bring to light the unused and under-used land in the ownership of pubic bodies and expose their plans for that land to public debate. Equally, local authorities are required to make the registers available to the general public. My Department has instructed public bodies not to include on the registers

"land which is both held and used as public open space or for recreation."

Thus, any playing fields that are recorded are either unused or under-used.

An instruction also states that land held for future operational needs should be included. Therefore, it does not follow that land on the registers is to be disposed of or lost to sport. I want to make it clear that using the registers as a basis for assessing the loss of pitches is, at best, misleading.

Already, the Sports Council regional offices are using the copies of the registers at my regional offices to identify sites of odd shapes, sizes or locations which properly command low prices in the general market. I am touched that my hon. Friend referred to my excellent words of 1981 at the CCPR conference, because they get better with the passing of years. One of the better ways to use sporting and recreation organisations is to try to find land which can be used.

My hon. Friend raised many matters, including the Olympic games. I shall write to him about aspects with which I cannot deal tonight. We shall have to wait for the feasibility study. I am aware of the limitations and shortages and of what has to be done. We can speculate, but we all know about the gaps in the network of facilities in our major cities. I do not push the interests of any one city, but I am anxious to ensure that the Government work closely with the British Olympic Association. I remain at its disposal when it has completed its feasibility studies.

Mr. Denis Howell: I understand what the Minister says and I have every confidence in the British Olympic Association. It has to make an assessment of the various cities which have put in a bid and as that involves substantial public investment the Government cannot opt out, even in the early stages, of assisting in the making of that assessment.

Mr. Macfarlane: The Government are not opting out, nor will they. Some of the right hon. Gentleman's earlier remarks were a little fudged in that because of the passage of time, they did not bear any resemblance to the facts. No guarantee was given that the games would come here in 1988. The selection depends upon many factors. There was no guarantee of a London selection.

We must examine my hon. Friend's arguments closely. I shall reply later to any points with which I do not deal tonight because the subject is important, although it has been exaggerated in some respects. I do not single out any individual, but we should not deny that substantial progress has been made in recent years. Public, private and voluntary sectors have co-operated to expand local opportunities for sport and recreation. We must continue that progress. In doing so, I agree that we must guard against hurtful losses, especially in sensitive areas.

This debate is about means and not objectives. It is not for the Secretary of State or me to sit in judgment on local losses of sports fields, except where that is necessary and appropriate through the planning appeal system.

However, perhaps more locally based machinery of some kind is needed to provide a reliable database of overall provisions which, in turn, might better inform local decisions. I therefore suggested at a meeting that I had in February with the chairman and secretary of the Central Council of Physical Recreation that they get together with the Sports Council to see whether there is a need for, and a means of, better monitoring gains and losses in sports provision in the regions. Something might be done through the Sports Council regional offices, or the regional councils for sport and recreation which already play a vital role locally. Any new proposals will I hope take account of my comments today. I shall keep the House informed.

Berkshire (Development)

9.58 pm

Mr. Andrew MacKay (Berkshire, East): I appreciate the opportunity to discuss excessive development in Berkshire. I thank my hon. Friend the Under-Secretary of State for his courtesy and understanding, particularly when I led a delegation of constituents to his Ministry recently. I believe that his courtesy was a result not of his being a Berkshire resident, but because he appreciates the problem.

We in Berkshire who are opposed to excessive development are not Luddites. Over the years we have accepted large scale development with good grace. We are happy to allow modest infilling and further development, such as providing a five-year supply of building land. However, we are no longer asked to provide only that. Our area is one of natural growth and development and because of that the Ministry has decreed that we should find land for 8,000 extra houses in the central Berkshire area.

Berkshire is a narrow, east-west county. The eastern end, which covers part of my constituency, is within the green belt, so it cannot be developed. At the western end, there is an area of outstanding natural beauty on the downs, which also cannot be developed. Therefore, those 8,000 houses——

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Major.]*

Mr. MacKay: Those 8,000 houses have to be crammed into a relatively small area between Reading and Berkshire. The bulk of them will be north of Bracknell, which has been asked to provide 5,150 houses. That will destroy the local village communities—such picturesque villages as Warfield, Binfield, Chevey Down and Winkfield Row will be flooded with new houses. There are no more than 600 or 700 houses in Warfield, but it is expected to provide an additional 3,000 houses.

We have a responsibility to future generations to preserve these communities and our countryside. The development will take place immediately north of the town of Bracknell, which most independent observers believe is the most successful of our new towns. It has already exceeded its natural level of development and to extend it further would be not only dangerous to the surrounding villages but would do a great harm to Bracknell itself. That is why the campaign against further development has the people of Bracknell shoulder to shoulder with the villagers. They wish to have green fields and open countryside near their new town that they can use and enjoy.

We do not have the infrastructure to accommodate the new houses, and there is no way that in the foreseeable future funds will be available to provide adequate roads or ample schools and hospitals. Therefore, if we proceed with the new houses there will be terrible bottlenecks on the roads, longer waiting lists in our hospitals and further overcrowding in our schools where the pupil-teacher ratio is already far too high.

The developers tell us that there is a demand for the houses. I refute that, because there is not a local demand. Anyone visiting Bracknell will see a number of "For Sale" boards, many of which have been erected for many months. There is no shortage of houses for sale or to let. If the new houses are built, they will be purchased mainly by people moving out of London where, mainly under Labour-controlled councils and the GLC, they have suffered high rate increases. They will commute back to London each day on our good rail and motorway links to the capital city.

We have no objection to commuters living in our county, but it is fair to say that they do not take part in the local community in the same way as established residents. I do not see that the desecration of local communities and the countryside is right simply to provide additional houses for commuters who work in London as opposed to people who work in local industry.

National issues are also at stake. There is all-party support for the Government's excellent policy for rejuvenating the inner cities. However, that policy will not succeed if developers can build on green field sites in Berkshire and elsewhere instead of utilising inner city sites. I fear that by encouraging developers to move to green field sites, they will not take up the opportunies that the Government are creating by providing land through the register in the inner cities.

The taxpayers' money and the efforts of the Government—efforts which hon. Members in all parts of the House applaud—to rejuvenate the nation's inner cities will fail or, at best, succeed less than fully, if ample provision is made for houses to be built on green field sites. I assure the Minister, being myself a sometime builder and developer, that developers prefer to build on green field sites than in inner cities, if they have the choice.

Another important issue is the north-south divide. As an hon. Member who first represented a constituency in the great city of Birmingham and who now represents a seat in the south-east, I perhaps see this more vividly than most.

We should be encouraging development, employment prospects and industry to set up in those regions of the country where there is genuine unemployment. In my area there is not genuine unemployment. We have an extremely low level of unemployment and I submit that the majority of those who are unemployed in my constituency choose to be out of work, are unemployable or are playing the black economy to the absolute full. That is not true of the midlands and many parts of the north.

We in the Bracknell district council area have encouraged national and multinational firms to come to Bracknell and we have exclusively reserved our remaining few industrial sites for their future expansion, which has been greatly appreciated. At the same time, we have encouraged those starting up in business to proceed by way of small industrial units. In other words, we have encouraged industry extensively. But now the time has come to say that there are other parts of the country that need industry more than we do, areas whose employment prospects are grim by comparison with ours.

That was never more clearly illustrated than by the fact that more than 80 of my hon. Friends signed an early-day motion on the subject that I recently sponsored. It objects to excessive development in the south-east and encourages employment in the regions.

New issues have arisen since I last raised the subject on the Adjournment. Bracknell district council has unanimously passed a resolution condemning massive development and the Government's policy in that respect,

[Mr. MacKay]

and I remind the Minister that that council consists of 40 Conservative councillors with no opposition. In addition, each of the parish councils, where the councillors are either Independent or Conservative, have equally forcefully condemned Conservative Government and previous Labour Government policies of excessive development in the area.

Companies in Bracknell — many of them large multinationals with names that will be familiar to you, Mr. Deputy Speaker—have all agreed through their trade and commercial organisations that they do not want further development. They say to me, "If we need a highly skilled, high-tech scientist to come to Bracknell, we know that he can find a house, because there are plenty of houses available to purchase. If we want a semi-skilled man to move from the regions to Bracknell, we know that houses are available to rent from the local authority. So there is no shortage of housing to affect our future prosperity as a company. When, however, we are fighting hard to find the right type of highly qualified people to work for us, we must offer an attractive environment, and that means an attractive new town with countryside around it. If you build on that countryside, as the Ministry wants, we shall face great difficulty in persuading people to join our company."

At the latest election on 2 May, Berkshire bucked the trend, unlike the rest of the country. There had been a hung county council. At the election, substantial Conservative gains were made and the Conservatives took control of Berkshire. I know that my hon. Friend the Under-Secretary of State will agree that that was the exception to the rule on the rather sad evening of 2 May. The reasons for that result were twofold. First, we had known about the hung council and the Lib-Lab pact which had led to a 27 per cent. rate increase—an experience that some of the other county councils will face during the next few months. My electors in Berkshire objected to that. Secondly, there is a majority of eight at shire hall because five Conservative seats were gained in and around Bracknell. The Conservatives who stood as candidates in the wards stood on a staunchly anti-mass development ticket and each signed a declaration that they would do everything legally possible to fight that development at county and national levels. They hit the right note with the electors.

Berkshire, which was the sole light for the Government on the evening of 2 May, would not have shone so brightly if the Conservatives had not won those five crucial seats that gave us our majority. We won those seats only because of our staunchly anti-development stand. Every group in the constituency — the Tory-controlled Bracknell district council, the Tory and Independent parish councils and all my electors—totally oppose that development.

My hon. Friend the Under-Secretary of State must realise that there are not only environmental reasons why the Government must change their decision, or only economic or regional effects that should cause the Government to change their policy of mass development in central Berkshire. There are also good electoral reasons. If we believe in a democracy and elected representatives and if, after winning the county election on this firm ticket, we are stabbed in the back by the Ministry and the Government, I am not sure how we could go again to Berkshire electors with confidence to advise them that a Conservative Government believe in conservation of the environment, in listening to people of individual areas, in employment in the regions and in inner city rejuvenation.

I make a strong plea to my hon. Friend, who I know is immensely sympathetic, to ask our right hon. Friend the Secretary of State and the Cabinet carefully to reconsider that out-of-date and misconceived policy initiated by the late Anthony Crosland and proceeded with by successive Secretaries of State of both political parties. It is time to rethink and time to change. We are making a grave mistake by proceeding in that way.

10.15 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Nell Macfarlane): I am grateful to my hon. Friend the Member for Berkshire, East (Mr. MacKay) for raising the subject of the extent of the problems of housing and development in Berkshire. It is a subject that has taken a great deal of his interest and time since he returned to the House as Member for Berkshire, East. His constituents should be grateful for his endeavours on their behalf. He regularly raises the issue on the Adjournment and at Question Time, and frequently comes to the Department to discuss the matter with my right hon. Friend and myself. He is diligent on his constituents' behalf, which is why I welcome tonight's debate. His constituents will be grateful for the clear and forceful way in which he has put the matter once again.

The issue is of local interest and anxiety. I have been taking a great interest in the matter and have met delegations led by my hon. Friend and other hon. Members who represent constituencies not far from Berkshire, East. They are equally interested.

I am conscious that the pressures for development and conservation in the area must be balanced in the interest of prosperity. I shall ensure that I remain fully conversant with the area and its problems as a basis for discharging in due course my responsibilities in respect of development planning.

I understand that there is widespread local feeling that new housing developments should be contained. For the moment, however, the matter rests largely with the county council as the structure planning authority for the area. Last year, the county council published proposals for a replacement structure plan for the county as a whole to replace the existing structure plans for the west, central and east Berkshire areas. Recently, the county council published a stage 2 consultation document upon which it invited comment before 3 May.

It is now for the county council to decide what proposals to include in the replacement plan. Only when the replacement plan has been submitted to him will the matter come before my right hon. Friend the Secretary of State.

Mr. MacKay *rose*—

Mr. Macfarlane: I shall give way to my hon. Friend, and I hope that he will convey to those involved the congratulations of many Conservative Members on the excellent results of 2 May. There are lessons for everyone to be learnt from those results. They show the importance that constituents and ratepayers attach to local plans.

Mr. MacKay: I shall be delighted to convey my hon. Friend's congratulations. I know that they will be greatly appreciated by my friends and colleagues who have been elected to shire hall.

On the point about the revision of the structure plans which are being considered by the county council, I believe that the county council would like greatly to reduce the numbers in line with public feelings. At the public meetings, it has been made clear, as I illustrated in my speech and in other conversations with my hon. Friend, that the development is not wanted. If the county council put up good reasons, as I think that I have tonight, to reduce dramatically the number of houses that the Ministry wants, will it be permitted to do that and, if the case is a good one, will it be favourably construed by my right hon. Friend the Secretary of State.

Mr. Macfarlane: If I may speak for myself and for my right hon. Friend, I hope that all those points will be taken into consideration. We would have to take account of those requests, and clearly we would do so. I cannot give any assurances to my hon. Friend this evening, as he will understand, because we still await a completion of the documentation. I hope that it will be possible for the county council to push ahead with its proposals as quickly as possible and to present them to my Department for comment. Only when that process is brought to a conclusion will the present uncertainty at the rate of development not only in north Bracknell but in central Berkshire as a whole be brought to an end.

Given that that is the stage reached in revising the structure plans, it is not for me to comment definitively now, as my hon. Friend will understand. However, I am well seized of the anxieties that he has represented and of those of the 10 organisations that he brought to the Department. I thought that the case was presented in a balanced and coherent manner.

There is concern that the rural character of the area contributes to its economic buoyancy and to the readiness of employment generating activities to locate there. As a matter of general principle, and without in any way seeking to prejudge the issues and arguments relevant to the matter that my hon. Friend has raised, it is important that we should maintain the economic buoyancy of areas that are among the most thriving in the country. I endorse what he said, and I understand his arguments fully.

In maintaining it, planning authorities and, indeed, my right hon. Friend, will be faced with some hard choices, as they often are at national and local Government levels, in seeking to balance the need for development with the need to preserve the many good features of the areas concerned.

My hon. Friend has mentioned his doubts about the ability of the local infrastructure to keep up with substantial residential development. That most important fact was brought to my attention by other hon. Members who accompanied my hon. Friend when they came to the Department of the Environment, as was the pace and rate of development of the big cities and small towns in the outlying areas. Those who know the county well understand that. That is a matter of fact and judgment which I have no doubt the county council will seek to establish in the process of producing the replacement structure plan.

My hon. Friend referred also to the capacity of outstanding planning permissions to accommodate a considerable proportion of extra residential development which builders may seek to promote as they respond to local demand. Again, at present it is for the county council to form the best judgment that it can of the extent to which such consents can cater for the residential growth which it concludes is necessary in the area. It is for the county council to assess as best it can all the different matters such as population trends, household growth, employmemt, economic activity and so on, as well as the need to safeguard the quality of life in coming to a conclusion as to the proper provision for housing which should be made.

As I hope my hon. Friend will understand, time does not allow me to develop or to research as thoroughly as I should have liked many points that he raised in his speech. He knows that he can rest assured that we shall do everything that we can to ensure that his constituents can have faith in the workings of local and central Government.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes past Ten o'clock.

House of Commons

Thursday 9 May 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Death of a Member

Mr. Speaker: I regret to have to inform the House of the death of Tom Ellis Hooson, Esquire, Member for Brecon and Radnor, and I desire, on behalf of the House, to express our sense of the loss we have sustained and our sympathy with the relatives of the hon. Member.

PRIVATE BUSINESS

HARROGATE STRAY BILL

SCARBOROUGH BOROUGH COUNCIL BILL
Considered; to be read the Third time.

GREATER LONDON COUNCIL (GENERAL POWERS) BILL
(By Order)

LINCOLN CITY COUNCIL BILL *(By Order)*

YORKSHIRE WATER AUTHORITY BILL *(By Order)*

ROYAL HOLLOWAY AND BEDFORD NEW COLLEGE BILL
[Lords] (By Order)

The Speaker: The four Bills all have blocking motions against them. With the leave of the House, I shall put them together.

Orders for Second Reading read.
To be read a Second time upon Thursday 16 May.

Oral Answers to Questions

NORTHERN IRELAND

Assembly (Running Costs)

2. **Mr. Nicholas Baker** asked the Secretary of State for Northern Ireland if he will give the estimated costs of running the Northern Ireland Assembly in the current year.

The Secretary of State for Northern Ireland (Mr. Douglas Hurd): £3·2 million.

Mr. Baker: Is my right hon. Friend aware that support for the Assembly came, perhaps reluctantly, because many of us thought that it was the last chance for the Northern Ireland politicians and people to learn to live together and work out their constitutional future? Will he now tell the political parties of Northern Ireland that the Assembly represents the last constitutional chance for them to do that, and that the patience and purse of the British taxpayer are not inexhaustible?

Mr. Hurd: I would hesitate to say that anything is a last chance. I am sure that my hon. Friend is right. Much patience is needed, and also a very clear sense of purpose. Since the constitutional parties have such a responsibility for helping to create political stability, I hope that they recognise that that includes a responsibility to listen and to consider concessions in return for concessions.

Mr. J. Enoch Powell: What steps are taken to ensure that reimbursement is not claimed inadvertently for the same expenditure by Members of the Assembly who are members of other Assemblies and bodies?

Mr. Hurd: The claims made in respect of Members of the Assembly are rigorously scrutinised, and I am sure that the inadvertent possibility to which the right hon. Gentleman refers is covered in that scrutiny.

Mr. Budgen: Will my right hon. Friend review the whole question of the usefulness of the Assembly before the next elections to that body?

Mr. Hurd: Yes Sir. I have learnt to respect the efficiency and thoroughness of some of the scrutiny work carried out by the Assembly, but it has not yet succeeded in the main task set for it by this House, which was to work out proposals for the devolution of powers which would command widespread acceptance.

Mr. Michael Brown: Does my right hon. Friend agree that the time will have to come when he must say to the Northern Ireland Assembly that, since it has not accepted the challenge put to it by this House, other circumstances will have to prevail and the Assembly cannot continue?

Mr. Hurd: We are not at that point. I hope that the Assembly, through its Report Committee or in other ways that it thinks proper, will continue on the main task that I have described.

Rev. Martin Smyth: Does the right hon. Gentleman agree that, if rugby came into being by changing the rules when someone handled the ball, the Government may have to change the rules under which the Assembly is currently asked to operate?

Mr. Hurd: We are not at that point yet.

Constitutional Talks

3. **Mr. Canavan** asked the Secretary of State for Northern Ireland what recent discussions he has had about the constitutional future of Northern Ireland.

4. **Mr. Stanbrook** asked the Secrtary of State for Northern Ireland if he will make a statement on his discussions with party leaders in Northern Ireland.

13. **Sir John Biggs-Davison** asked the Secretary of State for Northern Ireland if he will make a statement about recent ministerial conversations with political parties in the Province.

16. **Mr. Hunter** asked the Secretary of State for Northern Ireland what recent consultations he has had with representatives of political parties in Northern Ireland.

Mr. Hurd: At my request, my hon. Friend the Member for Bath (Mr. Patten) has met representatives of the Ulster Unionist, Social Democratic and Labour, and the Alliance parties privately to explore and clarify their positions. He has also had an informal discussions with the Northern Ireland Assembly Devolutiou Report Committee. His conclusions will help me to assess how best progress can be made towards new devolved arrangements for Northern Ireland.

Mr. Canavan: Instead of pussyfooting around with an expensive and relatively powerless Assembly with representatives from only six counties of Ireland, is it not time that more radical steps were taken to set up some form of all-Ireland parliamentary body? Is any progress at all being made towards that end in the talks between the British and Irish Governments, or is the British Prime Minister afraid of a few Unionist Members who represent only a minority of opinion within Ireland as a whole?

Mr. Hurd: My right hon. Friend the Prime Minister perhaps has a keener sense of the point of Parliaments than has the hon. Gentleman. It would be for this House, or the Westminster Parliament, and, I suppose, for the Dail on the other side of the Irish sea, to decide whether the Parliaments wanted such an organisation.

Mr. Stanbrook: Is my right hon. Friend aware that the impatience expressed by my hon. Friend the Member for Dorset, North (Mr. Baker), which my right hon. Friend appeared to echo, is matched by the frustration felt by the majority parties in Northern Ireland at his refusal to countenance the normal operations of democracy, namely, rule by the majority? Could not a useful role be found for the present Assembly by making it an upper tier of local government and allowing the proper processes of democracy to take place within it?

Mr. Hurd: I am perfectly ready to consider any suggestions — that one or others — which appear to command widespread acceptance. By "widespread acceptance" we must mean acceptance across the division between the communities. The House would think me foolish if I suggested some new proposition without being convinced that it had that widespread acceptance.

Mr. Hunter: Leaving aside the immediate question of the Assembly, will my right hon. Friend tell us the extent to which, in his deliberations with representatives of political parties in Northern Ireland, he has come across an awareness that, ultimately, it is only through compromise that social harmony can replace social discord?

Mr. Hurd: That awareness is scattered across various pronouncements and pamphlets which appear at different times, and I always welcome it. We need to bring together those hints of greater understanding and a greater willingness to listen to others into detailed and practical discussions.

Mr. Benn: The right hon. Gentleman will recall that during the war Winston Churchill, as Prime Minister, offered to reunify Ireland. He made an offer to Dublin without consulting Stormont. Defence considerations were then dominant in his mind and are now dominant in the minds of the British and American Governments. Were the Republic to be persuaded to join NATO, would not the British Government's objection to reunification almost certainly completely disappear?

Mr. Hurd: No, Sir, that is not so.

Rev. William McCrea: Is the right hon. Gentleman aware that the vast majority of people in Northern Ireland are British and proud to be so, and that no decision taken by anyone else will change the Britishness of the Ulster people? Does the right hon. Gentleman not agree that the House must respect the supremacy of the ballot box, and that any politician wishing to defy the democratic wish of the Ulster electorate would make a mockery of all our battles for freedom?

Mr. Hurd: Northern Ireland's status as part of the United Kingdom rests not on any perception of ours about the foreign and defence policies of the Republic, but simply on the wish of the majority of the people who live in Northern Ireland. I believe that their wishes are clear.

Mr. Skinner: Is the right hon. Gentleman aware that many people on the mainland are asking why the Tory Government, and others before them, have set up ramshackle organisations in Northern Ireland which have cost a small fortune to run and why decent councils in Britain, which are being run well, are being demolished by the Tory Government while that in Northern Ireland never even gets rate capped?

Mr. Hurd: The hon. Gentleman is taking me a little wide of the original question.

Mr. Jackson: Will my right hon. Friend and his colleagues impress on the hon. Member for Foyle (Mr. Hume), the leader of the SDLP, the importance of that party's participation in the Assembly at the earliest possible time?

Mr. Hurd: It is highly desirable that the SDLP should take its place in the Assembly, although I understand the present difficulties in doing so. We shall not reach the political stability in Northern Ireland which every right hon. and hon. Member here would like unless there is an unfreezing of attitudes, including the attitudes of representatives of both communities, towards the desires and anxieties of the island.

Mr. Archer: May I tempt the Secretary of State to be a little more cheerful about the prospects of progress and co-operation with the Republic? Does he agree that, whatever decisions fall to be made by Parliament, the initiative must come from the Government? Does he further agree that the Taoiseach and the Irish Foreign Minister have shown generosity and courage in an attempt

to invite progress? Will he accept that the alternative to pessimism might not be optimism, but that it is at least hope?

Mr. Hurd: I have not yet said anything cheerful or uncheerful about co-operation with the Republic. I was dealing with the proposal about a parliamentary tier, which surfaces from time to time. As the right hon. and learned Gentleman is a constitutional expert, I would expect him to honour my point, which is that if these things are to endure as parliamentary institutions, they must be parliamentary proposals.

Royal Ulster Constabulary

5. **Mr. Peter Bruinvels** asked the Secretary of State for Northern Ireland what is *(a)* the current strength and *(b)* the total establishment of the Royal Ulster Constabulary; and if he will make a statement.

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Nicholas Scott): The full-time strength of the Royal Ulster Constabulary on 30 April 1985 was 10,802, and the authorised establishment on the same date was 11,000. This represents a significant increase in the size of the force in recent years, increasingly reflecting the police's primary responsibility for all aspects of law and order in Northern Ireland, aided where necessary by the armed forces. I should like to take this opportunity to pay the warmest possible tribute to the courage and professionalism of the officers of the Royal Ulster Constabulary and their growing success in controlling terrorism.

Mr. Bruinvels: I also would like to congratulate the RUC and its Chief Constable on how they protect the people of Northern Ireland. Is my hon. Friend satisfied that there are enough police to protect the people of Northern Ireland and the police themselves? What is the RUC's present policy on overtime, which seems to be needed quite a lot?

Mr. Scott: As I said in my original answer, the size of the RUC has been increasing steadily. More operational hours are being worked now than at any time except during the hunger strikes; more operational hours were worked in the past 12 months than in the previous 12 months. That reflects the primary role of the police. I and the Chief Constable are anxious that overtime should be at a level which helps the working of the RUC. Too much overtime can cause damage. By increasing the numbers, we can decrease the amount of overtime worked by officers.

Mr. Maclennan: Has there been some success in increasing the recruitment of members of the minority community into the RUC?

Mr. Scott: The Chief Constable's report for last year shows a small but significant improvement. The RUC and the Chief Constable are determined to do their best to secure a continued improvement.

Security

6. **Mr. J. Enoch Powell** asked the Secretary of State for Northern Ireland if he will make a statement on the latest security situation in the Province.

8. **Sir John Farr** asked the Secretary of State for Northern Ireland if he will make a statement on the current security situation in Northern Ireland.

10. **Mr. Proctor** asked the Secretary of State for Northern Ireland if he will make a statement on the current security situation in the Province.

Mr. Hurd: Since I last answered questions in the House on 4 April, two civilians have died in incidents arising from the security situation in the Province.

The security forces' efforts to defeat terrorism continue, and since the beginning of this year a total of 171 people have been charged with serious offences, including 20 with murder. 89 weapons, 3,327 rounds of ammunition and 2,222 lb of explosives have been recovered. The bulk of the explosives—about 1·5 tonnes—was found near Dungannon on 25 April. By denying the terrorists the use of that murderous material, the security forces undoubtedly prevented them from inflicting a great deal of destruction and suffering on the community, and I echo the earlier commendation of my hon. Friend the Parliamentary Under-Secretary.

Mr. Powell: Is the Secretary of State aware of the negative effect on security in Northern Ireland of such events as the visit of the Irish Premier to Londonderry, especially in view of the apparent acquiescence of the Northern Ireland office in that context?

Mr. Hurd: I am not sure that I follow the connection made by the right hon. Gentleman. The Prime Minister made clear the position about Dr. FitzGerald's visit to Londonderry. He is entitled to come and go there, if he wishes. We were informed of his arrangements, but the decision, timing and arrangements were his. We neither were asked for nor gave advice.

Sir John Farr: Is my right hon. Friend aware that the whole House is full of admiration for the efforts of the security forces? Is he entirely satisfied with the co-operation that he gets from the security forces in the Republic, especially at senior officer level, when a fugitive is fleeing from the law? Do we get full co-operation in that eventuality?

Mr. Hurd: I am grateful to my hon. Friend for his first remark. Yes, we get co-operation. As the Irish Foreign Minister said in London earlier this week, such co-operation is in the interests of both Governments. I should like to see it improved. The right summary of the position is that co-operation is good, but could be improved.

Mr. Proctor: Is my right hon. Friend aware of the anxiety of the Prison Officers Association and of others in Northern Ireland and elsewhere about the potential closure of Magilligan prison? Is he further aware that it is one of the few prisons in Northern Ireland which are fully following the Government's policy of integration in prisons? Will he assure the House that that prison will not be closed?

Mr. Hurd: I am aware of that anxiety, which has been expressed direct to my Department. Certainly, it is part of our continuing policy to work for integration in prisons. The impact on the prison system as a whole in Northern Ireland of the prospective opening of the new prison at Maghaberry is still being considered.

Mr. William Ross: Does the Secretary of State appreciate that if Sinn Fein were to make a significant advance in the local government elections next week it would be a setback for security? As the Government discovered only on 24 April that the advice given to the

House on 30 November 1984 about the foundation stone of identification policy — the medical card — was completely wrong, what further steps does he intend to take to ensure that such a matter does not happen again and to correct the present problems?

Mr. Hurd: I admire the hon. Gentleman's ingenuity in linking the question. As soon as the chief electoral officer drew our attention to the problem, we carefully considered what we could do. We came to the conclusion that it was not sensible to amend the legislation, for reasons of timing and substance, which the hon. Gentleman knows. Instead, we have given the maximum publicity to the possibility of exchanging the old medical card for the new, and have streamlined and accelerated the administrative arrangements for doing that. According to my information, that is proceeding quickly and well.

Rev. William McCrea: Does the Secretary of State agree that the call by the Labour spokesman for Northern Ireland, the right hon. and learned Member for Warley, West (Mr. Archer), for the disbandment of the Ulster Defence Regiment is wholly irresponsible, causes only delight to the members of the IRA and all enemies of peace in Ulster, and in no way assists security in the Province? In acknowledging the debt that Ulster owes to the UDR, will the Government clearly affirm their support for the UDR as a crucial part of their efforts to fight terrorism? Would it not have been better for the right hon. and learned Gentleman to suggest that the loony Left of the Labour party should be scrapped instead?

Mr. Hurd: The hon. Gentleman may be right, but I thought that the right hon. and learned Gentleman skated round that awkward recommendation in a recent Fabian Society pamphlet, and did not commit himself to disbanding the UDR. He knows perfectly well, as does anyone who studies such matters seriously, that the UDR plays an indispensable part in the security of the Province.

Ms. Clare Short: Is the Secretary of State aware that there is a mounting feeling in the South of Ireland that its major problems of law and order require it to spend less on policing the border and more on policing its own country? If there is no major improvement in relations between the North and the South of the island, is there not a real danger of a withdrawal of support for security in the North, which will have major implications for all the people of Ireland?

Mr. Hurd: Mr. Barry has made it clear that the efforts of the security forces of the Republic along and behind the border are made, not from a desire to do the British Government a favour, but from a calculation—I would say an accurate calculation—of their interests, given that the provisional IRA is clearly and explicitly determined to end the system of government, not only of Stormont and Belfast, but of Dublin.

Mr. Ian Lloyd: What recent evidence, if any, does my right hon. Friend have that terrorism in the Province is still encouraged and supported, not only with finance, but through training in terrorism supplied by such good friends of democracy as Colonel Gaddafi, Mr. Castro and Mr. Gorbachev, in ascending order of merit?

Mr. Hurd: I had better confine myself to the first. There is evidence from publications in the Libyan press that the Libyan Government believe that it is part of the responsibilities of the Libyan people to keep the provisional IRA in a good state. We must take that seriously.

Rev. Martin Smyth: Will the Minister admit that, although he thought that the right hon. and learned Member for Warley, West (Mr. Archer) had skated round the issue, that was not the impression created in Northern Ireland? Would it not be advisable for the right hon. and learned Gentleman to withdraw his statement, because it would be an insult to the entire British Army if, because some people had acted wrongly, an entire regiment was so slurred? Does he recognise that it is not the Protestant involvement in the UDR which causes concern, but the fact that it is a regiment of the British Army?

Mr. Hurd: I am not interested in helping the right hon. and learned Gentleman out of the problems created for him by his party. My opinion chimes with that of the hon. Gentleman.

Mr. Holt: Does my right hon. Friend agree that, in the final analysis, the answer to the security problem is to bring together the two halves of the community, and that that can be greatly achieved through sport? Does he agree that the excellent marathon run last week was a demonstration of the way in which people who wish to work together can do so?

Mr. Hurd: The Belfast marathon was clearly a great success. It attracted people not only from all over Ireland and the United Kingdom, but from many parts of Europe. The more people, whether sportsmen or others, who visit Northern Ireland to see what is happening there—the difficulties and the opportunities—the more satisfied the people of Northern Ireland will be, because they suffer greatly from the impression given in the media.

Mr. Dubs: Will the Secretary of State confirm that Dr. FitzGerald's recent visit to Derry posed no problems for security in the area? Why does he not say that the Prime Minister of the Republic is welcome to visit any part of the United Kingdom at any time?

Mr. Hurd: I said that Dr. FitzGerald was free to visit Londonderry or any part of the United Kingdom at any time——

Mr. Dubs: Welcome.

Mr. Hurd: —but I also said that the timing and the programme were, naturally, matters for him.

Mr. Peter Bruinvels: Will my right hon. Friend talk urgently with the local radio authorities in Northern Ireland, because radio stations are causing great difficulties for the security forces by interviewing IRA terrorists, who threaten Great Britain and Northern Ireland?

Mr. Hurd: This matter has been discussed often, and I have no statement to make on it today.

Mr. Benn: In view of the right hon. Gentleman's statement that people should visit Northern Ireland, did he notice that Geraldine Ferraro, the former Democratic vice-presidential candidate, went there last week and joined the growing number of people who express their opposition to the mass show trials, without juries, using informers who are subject to inducements by the Government to give evidence to get convictions? Is he satisfied that that form of justice should be maintained anywhere in the United Kingdom?

Mr. Hurd: I noticed that Mrs. Ferraro joined a number of people, including the right hon. Gentleman, who choose to spend a few hours in Northern Ireland and go away making definitive pronouncements about the conduct of the judiciary and judicial affairs. I do not understand the view that because evidence comes from an accomplice it should be disregarded, regardless of its merit. In the system that operates in Northern Ireland, the Republic of Ireland and federal cases in the United States, it is for the court and for the court alone to judge whether such evidence is justifiable. That is the right approach.

Mr. Nicholson: Does the Secretary of State agree that not only Mrs. Ferraro but many other people come to Northern Ireland on these bucket-shop trips and go away experts—including some hon. Members sitting not too far away from me? Will the Secretary of State wholeheartedly add his support to the UDR, which has suffered much over the past 15 years in Northern Ireland? Is it not time that he brought security back to the people in Northern Ireland and solved the problem after all this time?

Mr. Hurd: I gladly repeat my tribute to the UDR, which is an indispensable part of security in Northern Ireland. It is an excellent thing that right hon. and hon. Members and friends from other countries should visit Northern Ireland. I simply plead that they do not come just for a few hours and then release a draft statement pontificating about matters which they have not had a chance to study. They should come with a balanced programme, see a wide range of people, and stay a day or two. I am sure that then they would be far wiser.

Mr. Archer: Is the Secretary of State at least persuaded that the most effective method of improving security is to win the hearts of the people of both traditions for a system of law enforcement which they can see is manifestly fair? Is it not clear that if that can be achieved the roots of paramilitarism will wither? Whatever the reason why the UDR is perceived as sectarian, is it not the case that doubts about whether it can now perform an effective role are entertained not only by the Fabian Society but by senior RUC officers and officials of the Security Committee?

Mr. Hurd: It is true, as the Chief Constable made clear in his recent annual report on the security forces, that they need the support of as wide a section of the population as they can achieve. While the Army, including the UDR and the RUC, are, as the right hon. and learned Gentleman knows, active and energetic in trying to bring that about, there is a responsibility on the elected representatives of the minority community and on their friends in the House to play their part in this process. I have made my position on the UDR clear and I have nothing to add.

Tourism

7. **Mr. Parry** asked the Secretary of State for Northern Ireland what initiatives the Government have made to increase tourism in the Province.

The Minister of State, Northern Ireland Office (Dr. Rhodes Boyson): Government initiatives in support of the Northern Ireland tourist industry include an expanded programme of marketing and promotional campaigns at home and abroad by the Northern Ireland tourist board and the provision of grant assistance by the Department of Economic Development to encourage the development of tourist amenities and accommodation in the Province.

Mr. Parry: I welcome the increase in tourism and the benefit it brings to the economy. Will this initiative to alleviate the serious unemployment problem in the Province be continued? Are there any plans to increase the sailings between Liverpool and Belfast?

Dr. Boyson: Like the hon. Member for Liverpool, Riverside (Mr. Perry), who is interested in the passage to and from Great Britain and Northern Ireland, we welcome the increase in tourism. There has been an 8 per cent. increase in the number of tourists coming into Northern Ireland and the number is now approaching 1 million. That helps employment—about 8,000 people are employed in the tourist industry in Northern Ireland. I know that the hon. Gentleman is very interested in and concerned about Northern Ireland. I welcome his support for saying that Northern Ireland is a good place to visit, in particular because his constituency is so close to the Province. As my right hon. Friend the Secretary of State for Northern Ireland said, if only people would spend two or three weeks in Northern Ireland instead of a few hours there, more sense might be spoken in the House.

Sir Humphrey Atkins: Does my hon. Friend agree that the tourist attractions of Northern Ireland are very considerable and that not least among those attractions is the warm welcome that tourists receive from at least 99 per cent. of the population? Is my hon. Friend satisfied that the opportunities given to the Northern Ireland Tourist Board by our missions abroad to bring this home to foreigners, who, in large numbers, already spend time in Northern Ireland, are adequate?

Dr. Boyson: May I underline what was said by my right hon. Friend the Secretary of State for Northern Ireland about the hospitality of both communities in Northern Ireland. I am eight pounds heavier than when I first went there on 10 September 1984, which demonstrates that wherever one goes in Northern Ireland some of the best food in the world is offered to visitors. My healthiness at present depends in more ways than one upon what happens in Northern Ireland. As for my right hon. Friend's second point, there are now tourist board representatives in Scotland, West Germany and the Republic, and 350,000 visitors from the Republic came to Northern Ireland on holiday last year. We are examining whether the Northern Ireland Tourist Board is spending its money effectively and what more we can do to help.

Mr. J. Enoch Powell: While sympathising with the Minister's encounter with Ulster pride, is it not the case that those who spend a holiday in Northern Ireland and experience not only the beauty of the country but the friendliness and peaceability of the inhabitants obtain a much truer insight into the truth about the Province than those who, with preconceived political notions, flip over and back?

Dr. Boyson: I can only agree with the right hon. Gentleman about holidays in the Province. It is beautiful. A great deal has been done to the loughs and harbours to make it even more attractive than before. Anything that any right hon. or hon. Member can do to encourage other people to come to the Province will be of advantage to all concerned.

Rev. William McCrea: Can the Minister tell the House what positive steps he and his hon. Friends have taken to encourage touring sports teams to come to Northern Ireland, bearing in mind the teams which have cancelled their visits because of threats by the IRA and the INLA?

Dr. Boyson: I assure the hon. Gentleman that we are doing all that we can—and the Parliamentary Under-Secretary of State my hon. Friend the Member for Chelsea (Mr. Scott), similarly—to encourage teams to come to Northern Ireland. It was undoubtedly due to the Government's encouragement that there was the recent excellent snooker result involving the Province.

Republic of Ireland (Talks)

9 **Mr. Flannery** asked the Secretary of State for Northern Ireland if he has any palns to hold discussions with the leaders of the Republic of Ireland.

11. **Mr. Dubs** asked the Secretary of State for Northern Ireland when he next plans to meet representatives of the Irish Government to discuss matters relating to Northern Ireland.

Mr Hurd: I meet representatives of the Irish Government from time to time but I have no firm plans for a meeting at present.

Mr. Flannery: In view of the dismissive attitude of the Prime Minister to the Forum report, when she voiced the trilogy "out, out, out", will the Minister consider the extension of the friendly attitude which we are assured exists in Northern Ireland to the Republic in order that the political set-up in the whole of Ireland may be discussed? For instance, when talking about British justice, will he try to justify to the Prime Minister of the Republic just how the supergrass trials fit in in any way, or do any good whatsoever, to the political situation anywhere, especially in Northern Ireland?

Mr. Hurd: I believe that peaceable citizens are now living in greater security in Northern Ireland because in the past people have been correctly, according to the courts, convicted of terrorist charges as a result of the evidence of their former accomplices. Therefore, I should have no difficulty in explaining to Irish Ministers, if I met them, or to Mrs. Ferraro or to the right hon. Member for Chesterfield (Mr. Benn) that the system by which supergrass evidence in trials of this kind is tested by the court, and not before it comes to court, is correct.

Mr. Dubs: Is the Secretary of State willing to comment on the merits of an Anglo-Irish parliamentary tier and its bearing on relationships between the two countries and on the problems of Northern Ireland? May I press him further? Is he aware that there is no possibility of such a tier being established unless he and the British Government positively discuss it with the Irish Government and set it up? The House of Commons has no mechanism for doing that on its own.

Mr. Hurd: I must hold to the answer that I have given on this. If there is to be some new form of parliamentary arrangement between the United Kingdom and the Republic of Ireland, its solidity, endurance and life will depend on that being a genuine parliamentary initiative. Governments can then facilitate and discuss it to the extent that Governments have to. But the impetus must come from Parliament.

Mr. Hayes: Does *my right hon. Friend* agree that discussions with leaders in the Republic of Ireland are certainly not helped by Americans such as Mrs. Ferraro coming over to the Province and stirring up sectarian hatred for cheap political gain?

Mr. Hurd: I do not want to be unjust to Mrs. Ferraro; she did not do that. She was rather careful in her comments. My criticism is that she did not spend long enough in the Province for her comments to be valid. It would be going too far to make the accusation that my hon. Friend makes.

Mr. Bell: Will the Secretary of State accept that it cannot and should not be beyond the wit of Her Majesty's Government to reach agreement at this historic time, following the report of the New Ireland Forum, to resolve with the Irish Republic the manifold problems that have separated us in the past? Will he give us an assurance that any discussions he is having with his counterparts in the Government of the Irish Republic are not being placed on the back burner and will be pressed vigorously and resolutely to an agreement?

Mr. Hurd: The dialogue between ourselves and the Government of the Republic that was mentioned in the communiqué after the last Chequers summit is continuing, as the hon. Gentleman knows, and we are putting the necessary energy and good will into that.

Milk Quotas

12. **Mr. Nicholson** asked the Secretary of State for Northern Ireland what progress he has made in achieving equality with other regions of the United Kingdom for small dairy farmers in respect of milk quotas.

Dr. Boyson: My right hon. Friend has continuing contacts with his agricultural colleagues, but it is not yet possible to announce what relief can be given to small dairy farmers in Northern Ireland.

Mr. Nicholson: Following the announcement by the Minister of Agriculture, Fisheries and Food earlier this week that small dairy farmers in England and Wales would be brought back to the 1983 levels of production and that hardship cases would be met in full, will he assure me and the House that small dairy farmers in Northern Ireland will receive the same treatment, to which they are entitled?

Dr. Boyson: I know of the hon. Gentleman's anxiety and that of many other hon. Members about small dairy farmers in Northern Ireland. The outgoers scheme has not been taken up in Northern Ireland to the same extent as in the rest of the United Kingdom, and that has created a problem. However, we are planning an early meeting of the three territorial Secretaries of State with the Minister of Agriculture, Fisheries and Food about that very problem.

Multi-fibre Arrangement

14. **Rev. Martin Smyth** asked the Secretary of State for Northern Ireland if he will meet representatives of the textile industry in the Province to discuss renewal of the multi-fibre arrangement.

Dr. Boyson: The multi-fibre arrangement is principally a matter for my right hon. Friend the Minister for Trade

and there will be a debate on the matter this afternoon. If I receive any requests for a meeting I will of course give them full consideration.

Rev. Martin Smyth: I welcome the Minister's response, but will he recognise that the matter concerns not only the rest of the United Kingdom but has specific implications for job opportunities in Northern Ireland? Will he use his influence with his right hon. Friend the Minister for Trade to have such an agreement speedily implemented, for the good of all the textile industry?

Dr. Boyson: I realise, as does the hon. Gentleman, that the percentage of people employed in the textile and clothing industries in Northern Ireland is three times greater than in the rest of Britain, and that is an important matter. If the hon. Gentleman is staying longer this afternoon, I suggest that he tries to catch your eye, Mr. Speaker, in the debate on the multi-fibre arrangement.

Mr. Bell: Does the Minister not realise that that answer is not acceptable to those who work in the textile industry in Northern Ireland? Does he not recognise that it would be socially intolerable to increase the existing pressures on employment in Northern Ireland through non-renewal of the multi-fibre arrangement? Will he give the House an assurance that he is prepared to fight his corner with the Secretary of State for Trade and Industry?

Dr. Boyson: Obviously, my right hon. Friend the Secretary of State and I put forward the views of Northern Ireland. But, as the hon. Member for Belfast, South (Rev. Martin Smyth) knows, the decision is made by this Parliament and not just by Northern Ireland. Indeed, those hon. Members who are integrationists want the decision to be made by this Parliament. Consequently, this afternoon's debate will be the decisive factor.

PRIME MINISTER

Engagements

Q1. **Mr. Winnick** asked the Prime Minister if she will list her official engagements for Thursday 9 May.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Mr. Winnick: If it is true that today the Cabinet decided to abolish or phase out the state earnings-related pension scheme, how can the Prime Minister justify 11 million people being swindled out of their right to be able to spend their retirement in comfort and dignity? How many of those 11 million people who will be adversely affected by the Cabinet's decision believed the pledges that were given at the time by herself and her colleagues to the effect that the scheme would not be touched?

The Prime Minister: The hon. Gentleman must contain himself in patience. Today the Cabinet completed its consideration of the social security review. My right hon. Friend the Secretary of State for Social Services will now finalise the Green Paper, which is to be published following the Cabinet's decision. He hopes to be able to publish it and accompany it by a statement to the House soon after the Whitsun recess.

Mr. Holt asked the Prime Minister if she will list her official engagements for Thursday 9 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Holt: During her busy day, would my right hon. Friend care to reflect on the fact that at the Endeavour school in Middlesbrough handicapped children who are confined to wheelchairs are being abandoned by their teachers at lunch-time, in connection with the dispute, and that so-called professionals are causing great distress to both parents and children?

The Prime Minister: I believe that the information that my hon. Friend has given about the school in his constituency is correct. I understand that for a time the head teacher was trying to cope on his own but was unable to do so. I am amazed that the teachers should have taken this action, and my sympathy lies with the children, many of whom are in wheelchairs, and with their parents.

Mr. Steel: Is the Prime Minister aware that a very warm welcome awaits her on her visit to Scotland tomorrow? As we have just passed the 10th anniversary of her pledge to abolish the rating system, will she recognise that no announcement of temporary relief—however welcome—will be a substitute for redeeming that pledge?

The Prime Minister: As the right hon. Gentleman is aware, we have made some provision for temporary relief on domestic rates in Scotland—as was announced some time ago—amounting to about £90 million. My right hon. Friend the Secretary of State hopes to be able to make a further announcement to the House next week, which will help with commercial rates. We are also studying the longer-term reform of rates, and we hope to be in a position to make an announcement about that when the studies have been completed.

Mr. Michael Morris: Is my right hon. Friend aware that one of the reasons stated for the loss of the Bosporus bridge contract was the time taken to put together an aid and trade project? Is she further aware that although she returned from her highly successful visit to Sri Lanka three and a half weeks ago, we still await the result of the aid and trade negotiations on the Samanala Wela dam?

The Prime Minister: When I was in Sri Lanka I announced a further aid package of £20 million for Sri Lanka, following the £115 million aid package that was given to enable the building and completion of the Victoria dam. My hon. Friend asked about the Bosporus bridge. The contract went the other way because the rival consortium gave heavy aid, not only for the bridge, but for the road contract. We are still in contact with the Turkish Government and hope that we can rescue something from that contract.

Mr. Kinnock: The Prime Minister had what she quaintly called her rates summit at Chequers six weeks ago. Was it there that the decision was made to rush through a panic Bill for Scottish commercial rates relief, or did the decision come later, without the benefit of a seminar, but with the benefit of the knowledge that the right hon. Lady was going to a Scottish Tory party conference that is on the warpath?

The Prime Minister: The relief that has already been given to domestic ratepayers in Scotland has been very

welcome, particularly bearing in mind that of the 17 per cent. average increase in domestic rates in Scotland this year, two thirds is attributable to council overspending. Overspending councils are to blame. Even if the right hon. Gentleman does not like it, the ratepayers of Scotland will be pleased if further relief were given from those high-spending Labour councils.

Mr. Kinnock: The Prime Minister knows that she is talking nonsense. The Comptroller and Auditor General has said that by far the biggest reason for increases in rates in Scotland and elsewhere is the withdrawal of Government support for local authorities. Is the Prime Minister aware that she is engaged in a U-turn and is to give back to Scotland the £1,000 million that she has taken away from local authorities there in the past five years?

The Prime Minister: I stand by the statement that of the 17 per cent. average increase in domestic rates in Scotland this year two thirds is attributable to council overspending. The offset of 8p in the pound to domestic ratepayers at a cost of about £90 million has cancelled out the increases which are directly attributable to revaluation. There is also great difficulty because of high-spending Labour councils. It is they who cause the trouble. The right hon. Gentleman should remember the example of Edinburgh.

Mr. Kinnock: May I—*[Interruption.]*—refer the Prime Minister to the report by the Comptroller and Auditor General and the Audit Commission? Will the Prime Minister take up these matters with that body so that she does not mislead the House with her recital of figures that are not based upon reality?

The Prime Minister: My right hon. Friends are, of course, considering the Comptroller and Auditor General's report, which will not always favour the viewpoint of the right hon. Gentleman. In the meantime, perhaps he will acknowledge that two thirds of the increase in domestic rates in Scotland is attributable to council overspending and that the overspenders are Labour-controlled.

Mr. Churchill: As we commemorate our momentous victory over Fascism—a victory that could never have been won without both our American and Russian allies—is it not a matter for regret that the 40th anniversary should have been marred by the trading of insults between the two super powers? Will my right hon. Friend and Great Britain take an especial lead in seeking in the months ahead to bring closer together the United States and the Soviet Union, so that we may together win the peace as we so victoriously won the war?

The Prime Minister: I believe that it is in the interests of the Western Alliance and of the Soviet Union that there should never be conflict between us. To achieve that we have to be prepared to defend our way of life at a rate that will deter any aggressor, and in the meantime to enter into discussions with the Soviet Union on how best to reduce the large stores of weaponry, which we all want to see diminished.

Q3. **Mr. Ray Powell** asked the Prime Minister if she will list her official engagements for Thursday 9 May 1985.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Powell: Is the Prime Minister aware that some of my constituents were heroes in the last war and fought for a country fit for heroes to return to and live in? Is the right hon. Lady further aware that those same heroes are now unemployed? Is she aware that in Maesteg 24 per cent. of the male population are out of work and that if a colliery closes at St. John's, Maesteg, 45 per cent. of the male population will be unemployed? If the right hon. Lady has a message for the Tory party conference in Scotland tomorrow, could it be that she will join the ranks of the unemployed?

The Prime Minister: As the hon. Gentleman knows, the Government are as anxious as any other and Conservative Members are as anxious as Opposition Members to increase the number of jobs that are available. That increase will not come merely by sharing out the number of jobs among more people, which would mean lowering wages as we increased the number of employed persons. I do not believe that overmanning is the answer to our problems. The answer lies in the private sector increasing the number of small businesses and thereby increasing the number of businesses that can expand and take on more people. There is no other answer in the long run to getting more jobs.

Q4. **Mr. Thurnham** asked the Prime Minister if she will list her official engagements for Thursday 10 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Thurnham: Does my right hon. Friend welcome the forthcoming Local Enterprise Week? Does she look forward to a reduction in interest rates as a further encouragement to new businesses?

The Prime Minister: Yes, I welcome the Local Enterprise Week, which is being run by my hon. Friend the Under-Secretary of State for Employment with responsibilities for small businesses, my hon. Friend the Member for Rossendale and Darwen (Mr. Trippier). I understand that my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) is running a meeting to further the objectives of the week. Its purpose is to help those who are able to start up in business on their own by ensuring that they obtain all the expert advice that is available to them. I hope that meetings in Bolton and elsewhere will be successful.

Mr. William Ross: Does the Prime Minister recall that during the passage of the Elections (Northern Ireland) Bill it was decided that the foundation stone of stopping personation by Sinn Fein at local government elections should be the medical card? Is the right hon. Lady aware of the exchanges that took place between my hon. Friend the Member for Upper Bann (Mr. McCusker) and the Under-Secretary of State for Northern Ireland, the hon. Member for Chelsea (Mr. Scott), on 28 November 1984, when it was alleged that all medical cards would be sufficient for this purpose? Is she further aware that at the end of April it was discovered that only medical cards issued after 1973 would be valid and that this has resulted in anything between 15 and 20 per cent. of the electorate being disfranchised? What steps does she intend to take to ensure that this does not happen again? Does she agree that the officials and Ministers responsible should be removed from office?

The Prime Minister: I am aware that the validity of medical cards has been a source of some concern for those who represent Northern Ireland seats. I understand that my right hon. Friend the Secretary of State for Northern Ireland answered a question on the issue before I entered the Chamber to the effect that he is taking every step possible to ensure that valid medical cards are available.

Q5. **Mr. Budgen** asked the Prime Minister if she will list her official engagements for Thursday 9 May.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Budgen: Will my right hon. Friend take this opportunity to welcome the proposed privatisation of British Gas? Will she explain why this future private monopoly cannot be broken up according to region and function?

The Prime Minister: I join my hon. Friend in welcoming the decision further to privatise, and to privatise the gas industry. My right hon. Friend the Secretary of State for Energy considered whether the gas industry should be broken up either by region or by function. He came to the conclusion that it would take far too long to break up by region and that that would be far too expensive. He recognised, too, that that could have an adverse effect on the price of gas in some areas. For these reasons he decided that it would be better to go ahead by privatising the gas industry as a whole.

Mr. Leighton: Will the Prime Minister take this opportunity to congratulate the membership of SOGAT, the country's largest printing union, which has recently voted by a majority of nearly 4:1 to retain its political fund?

The Prime Minister: The SOGAT members vote exactly as they will on whether to retain their political fund. They have an opportunity to vote and we insisted that there should be a vote. How they use their vote is a matter for their decision. I shall be only too delighted if more trade unions believe in giving their membership the right to vote by secret ballot. This advance has come about only as a result of the Government's actions.

Mr. Lyell: Does my right hon. Friend agree with the leader of the National Association of Head Teachers that the NUT's refusal to meet the Secretary of State for Education and Science was ill-judged? Does she further agree that the country is entitled to expect an honourable profession not merely to seek to increase its pay by striking, to the sufferance of children, but to come forward with sensible proposals for a restructuring of its profession so that a wise, overall solution can be achieved?

The Prime Minister: Yes, it is disappointing that the NUT will not take part in any meeting with my right hon. Friend. It has said that it wants an improved offer in Burnham and will discuss only this year's pay offer. My hon. and learned Friend is absolutely right to say that we need a restructuring of the profession, proper appraisal provisions and proper contracts of service. Then we can, perhaps, have a much more fundamental talk about the whole pay structure.

Security

3.31 pm

The Prime Minister Mrs. Margaret Thatcher): With permission, Mr. Speaker, I shall make a statement on security.

On 22 February I received the report of the Security Commission on its inquiry into the case of Michael Bettaney, the former security service officer who was tried for offences under the Official Secrets Acts and was sentenced to 23 years imprisonment in April last year. The report is being presented to Parliament as a Command Paper this afternoon.

The commission has fully examined Bettaney's career in the security service, with the object of identifying any errors on the part of management in relation to Bettaney's employment. It finds that the process of recruiting Bettaney was carried out consistently with the procedures at the time. There is, in fact, no reason to doubt his loyalty at that time, or to suppose that he had at that stage ever contemplated the possibility of turning spy.

The commission makes a number of serious criticisms of the errors by the security service in relation to the management of Bettaney's career. In particular, it concludes that there came a point in October 1982 when there should have been, but was not, a very full investigation of Bettaney's lifestyle, which probably would have led to the removal of his positive vetting clearance and the cessation of his employment in the security service.

It remains the case, however, that Bettaney's attempts to get himself recruited as an agent of the Russian intelligence service were not successful. The security service's investigation that led to Bettaney's eventual conviction was effective and conclusive.

Although in the course of his attempts to get himself recruited Bettaney did communicate some secret information to the Russians, he was arrested before he was able to pass over the major proportion of the secret information that he had collected, and the grave damage that would have ensued by such communication was averted.

In the light of its investigation, the commission makes a number of recommendations for changes in positive vetting procedures in the security service. The most significant of these is that, at quinquennial review, special and separate reports should always be called for from all those who have supervised the subject since clearance was last given.

The commission also recommends that the revised and improved arrangements which apply at present only to the more senior grades should now be extended to all staff. These recommendations are being put into effect.

In the course of its investigation the commission received evidence of a more general character which was critical of various aspects of the internal organisation and management of the security service. It did not attempt to pass judgment on those criticisms, but has recorded its impression of aspects of organisation and management which seem to it to require examination and reassessment. The last chapter of the report makes some suggestions for changes in management attitudes and arrangements, and indicates a number of matters which, in the commission's view, call for particular consideration.

These criticisms and suggestions are being thoroughly examined and my right hon. and learned Friend the Home Secretary and I are determined to see that action is taken to remedy management weaknesses.

The new director general is giving the utmost care and attention to the Security Commission's criticism of errors in relation to Bettaney's employment, as well as to the general management criticisms to which I have referred. He will make the changes that are judged to be necessary to improve the organisation and management of the service and will report to my right hon. and learned Friend and me later this year. I shall arrange for his conclusions and measures to be reported to the Security Commission for any further comment that it may wish to make.

Hon. Members on both sides of the House have expressed concern about the handling of members of the service who are troubled over particular matters and activities within the service. The director general has been asked to consider, and to report to my right hon. and learned Friend and me, what developments he proposes by way of internal outlets for the expression of grievances or anxieties of individual members of the service.

Finally, I emphasise that the criticisms of management do not extend to operations or overall efficiency.

Indeed, the Commission says:

"nothing in this report is intended in any way to call in question the professional and operational efficiency of the Security Service, which we believe to be of a high order".

Nevertheless, the criticisms that the Commission makes of the handling of Bettaney's case are serious, and every possible effort will be made to see that the shortcomings that it describes do not occur again.

Mr. Neil Kinnock (Islwyn): The Security Commission's report reveals great managerial inefficiencies within the security service, and I am sure that the whole House and the country will share the concern expressed by the Commission.

Plainly, Britain needs an effective and efficient security service. May I, therefore, welcome the Prime Minister's announcement that she will immediately implement the Commission's recommendations on positive vetting and that the new Director General will attend to the other criticisms made by the Commission?

May I also make it clear to the Prime Minister that, unfortunately, her statement does not meet the real seriousness of the problems illustrated by the Bettaney case? When she says:

"Bettaney's attempts to get himself recruited as an agent of the Russian intelligence service were not successful",

it seems that the right hon. Lady betrays a certain complacency. The fact is that no man could have tried harder than Bettaney to get himself recruited to the Russian secret service, and his fortunate incompetence is not a sufficient reassurance about the general condition of our services. Yet another internal reorganisation cannot, and will not, allay the widespread concern about the state of Britain's security services.

The Michael Bettaney case is only the latest in a series of incidents which have shown that our security services are not as proficient as they should be—indeed, must be—in clearing spies from within their own ranks and in detecting and defeating the spies from powers that seek to do us harm.

Does the Prime Minister agree with me that it is wrong that the security services should dissipate time and resources in conducting the surveillance of loyal British

people, who have no connection with espionage and pose no threat to the security of this country, when they should be concentrating entirely on real subversives, real spies and real terrorists who do wish us harm?

The Prime Minister has told us of her decision simply to pass to the Director General the evidence to the Security Commission from, as the report says,

"present members of the Service at various levels and from former members".

That evidence is "highly critical" of the service. The right hon. Lady's response to those authoritative criticisms from various levels within the service is not good enough.

Following the report from the Director General, which the right hon. Lady expects later this year, precisely what action will she be prepared to take to remove the problems identified in confidence by those within the service who have made criticisms?

Finally, is the Prime Minister aware that people who share her political affiliation, as well as those who share mine, and people with no political affiliation, believe that it is essential to establish a system of external oversight, representative of all parties, and answerable to the House, with the appropriate safeguards for necessary secrecy? Will she place the security services on a proper statutory footing and establish a parliamentary review procedure so that we can satisfy ourselves and the country that this nation's security is being properly protected?

The Prime Minister: On the right hon. Gentleman's first point, it is a fact that Bettaney was arrested before he was able to hand over some of the information which he had accumulated—*[Interruption.]* That is a fact. He was arrested and therefore he was caught within his own organisation before he was able to hand over the information.

Secondly, the Security Commission had two main criticisms. The first concerned the handling of Bettaney's career. The right hon. Gentleman will see that in the paragraphs and chapters of the Security Commission's report it argues very carefully and closely its reasoning. I think that we should leave it to be read in detail and leave the new director general of the security services to deal with that matter, as I am certain he will.

The commission also made a general criticism that it had received from other members of the security services adverse comments on the way in which the service was managed. The commission did not go into that. The commission did not validate those criticisms, for it is sufficient both for the commission and for us that they were made, and clearly that whole matter must be inquired into. When the Director general has come up with his proposals and put them into operation we shall also refer those proposals to the Security Commission for any further comment that it may make. Therefore, I believe that we have met the legitimate concerns and the serious criticisms of the Security Commission.

The need for external oversight has been argued at length in the House and came up again during the passage of the Interception of Communications Bill. All Governments run the security services in the same way and on the same lines, because they know when they are in power that that is the best way to run them. They must be run under unified management. They cannot be referred to an external group.

Sir Edward Gardner (Fylde): Does my right hon. Friend agree that all that has happened in the past emphasises and underlines the need for a safe and efficient way of dealing with complaints by members of the security services? Will she consider the recent proposal of right hon. and hon. Members on both sides of the House, including two former Home Secretaries, to appoint a complaints commissioner to deal with complaints internally and without any breach of security by members of the service? Bearing in mind that the American CIA has an ombudsman with powers of oversight — an appointment which has proved to be highly successful, so far as one can gather—does my right hon Friend agree that such an appointment of a comparable kind here would be the safest of all safety valves?

The Prime Minister: I saw the speech that my hon. and learned Friend made to this effect during the passage of the Interception of Communications Bill. It was generally in line with what he has just said. We are naturally concerned that for those in the security service who have certain strong feelings about duties which they are asked to perform there should be a channel through which they can make their views known.

I believe that quite a lot will occur through a change in the style of management there. I listened carefully to my hon. and learned Friend's comments. Before jumping to any specific conclusion, I have asked the new Director General to consider this with the staff and to put forward proposals. My hon. and learned Friend's proposal will, of course, also be considered.

Dr. David Owen (Plymouth, Devonport): The professional and operational efficiency of the secret services surely must come into question when Bettaney was not competent enough even to be able to be recruited by the Soviet security services. Although Sir Anthony Duff is a very distinguished public servant, will the Prime Minister give careful consideration to the proposal for a complaints ombudsman covering both the security and intelligence services? If the CIA and the FBI are both capable of being subjected to an ombudsman and also to a Select Committee of Congress, surely it is time now for an all-party parliamentary Select Committee of both Houses to be able to scrutinise the secret Vote of both the security and the intelligence services.

The Prime Minister: No. I do not believe that the right hon. Gentleman is correct in the latter part of his question. He did not do that when he was Foreign Secretary, for, I believe, very good reasons. I think that we should continue to enable the secret services to run in a secret way—after all, those against whom they operate always have the benefit of secrecy—and carry on in the way that we have done in that they are responsible to Ministers, whether the Home Secretary or the Foreign Secretary.

With regard to the internal complaints, I have nothing to add to what I have already said about that matter in answer to my hon. and learned Friend the Member for Fylde (Sir E. Gardner).

Sir Anthony Kershaw (Stroud): Will my right hon. Friend discard the obviously fatuous suggestions of the Leader of the Opposition, which would be likely to prove positively harmful in their effect? Nevertheless, will she recognise that the spasmodic reviews of the security services by the great and the good are not adequate for the purpose, and that a permanent inspectorate within the services would be likely to prove the best solution?

The Prime Minister: I have noted my hon. Friend's comments, but I am sure he will agree that the best way is for the new Director General to consider these matters first and make his own recommendations.

Mr. Merlyn Rees (Morley and Leeds, South): As part of the consideration of what the Prime Minister described as internal complaints, will she report to the House later this year on the ideas of the new Director General on this matter? Several of us agree with the Chairman of the Home Affairs Committee that the best channel would be a sort of ombudsman inside MI5. It took the Bettaney case to achieve any consideration of the matter, and I accept any criticism that might fall on me because of it. It is a serious matter, and the hon. Member for Stroud (Sir A. Kershaw) has made a very good suggestion.

The Prime Minister: Without any commitment, may I consider what the right hon. Member for Morley and Leeds, South (Mr. Rees) has said? It is important to find a solution, and it is important that I report that a solution has been found. I would need to consider whether it would be wise to report the solution precisely.

Mr. Jonathan Aitken (Thanet, South): Does my right hon. Friend agree that in the aftermath of the Blunt revelations about six years ago both she and the then Home Secretary, Lord Whitelaw as he now is, indicated that there would from then on be the tightest possible ministerial oversight of security services? Is it not an uncomfortable fact that the weaknesses revealed by today's statement show that pure ministerial oversight, however good the Ministers may be, is not quite good enough? Will she now be a little more sensitive to the views, held in all parts of the House, that some form of Privy Councillors' committee or ombudsman would reassure public opinion in this area?

The Prime Minister: I think that my hon. Friend would be the first to accept that Ministers should not get involved in the day-to-day management of any service. I am sure that he would accept that. The criticism in the Bettaney case was of that kind of management. That is being inquired into and, I believe, will be put right. There are also certain proposals as to what should happen on the quinquennial review of vetting, which was where the problems arose. I do not think that it would be helpful to the security services to have their operations and their management exposed to cross-examination in this House. I think that it would be highly damaging to them.

Mr. A. J. Beith (Berwick-upon-Tweed): Would a purely internal outlet for the expression of grievances of individual members of the service have dealt with the situation where a senior official of MI5 believed that the then Director General, Sir Roger Hollis, was a spy and found himself under investigation for pursuing that line of inquiry?

The Prime Minister: I have already made my views on that quite clear and given the official statement. Therefore, I am surprised at the hon. Gentleman raising it again under the Bettaney case.

I believe that there could be an internal route under a different style of management. It is being considered. The hon. Gentleman heard the reply that I gave to the right hon. Member for Morley and Leeds, South.

Mr. John Browne (Winchester): Will my right hon. Friend accept that many people feel that she is doing her level best to restore the credibility of the security services, but that some of us feel, in the light of the infiltrations at a very senior level and the continued catalogue of errors such as the one we are now facing, that that must call into question not only the management but the actual operation of the security services? For that credibility—which is the key issue—to be restored, surely nothing short of forming a new service will suffice?

The Prime Minister: I do not agree with my hon. Friend. As he will be well aware, the security service has had its very considerable successes, and those successes have received much less publicity than problems of this kind.

I do not believe that we need a new service. I hope that my hon. Friend will recognise the excellent work that the security services do, and try to boost their morale rather than to lower it.

Mr. David Winnick (Walsall, North): Is the right hon. Lady aware that what is so disturbing about her report is that she refuses to comment on, let alone take action over, the allegations that a number of people have been investigated by MI5 and the special branch, not because they were subversive in any possible sense, but because of their opinions? I remind the right hon. Lady of the case of Mrs. Haigh in the west midlands.

Secondly, may I ask the Prime Minister why, in replies to me, she has said that she would not give permission for the newly appointed Director General of MI5 to give evidence, if invited, before a Select Committee, or to come here perhaps once a year to answer questions from hon. Members? Does the Prime Minister not recognise —unlike some of her hon. Friends—that if there is to be confidence in MI5 and the security services, some degree of parliamentary accountability is necessary?

The Prime Minister: The hon. Gentleman will be aware of Lord Harris's definition of subversion. Only when activities fall within that definition are they investigated. The hon. Gentleman referred to further accountability to the House. I remind him of the view taken during the lifetime of the last Labour Government. On 28 July 1977 a Home Office Minister said:

> "I am inhibited from commenting on the allegations in any detail by the long-standing and well-established convention that these matters are not discussed across the Floor of the House." —[*Official Report*, 28 July 1977; Vol. 936, c. 1223.]

I believe that in the case of this service it is necessary to continue that practice.

Dr. John Marek (Wrexham): Is the right hon. Lady satisfied that the personal information that is held and is exempt under section 27 of the Data Protection Act on the ground of national security is relevant to national security, and that no irrelevant information is held? In view of what has been said by hon. Members after her statement today, will the right hon. Lady consider what may be the best way of reassuring the British public that that is so?

The Prime Minister: I do not believe that that question arises from the commission's report on the Bettaney case. I believe that these matters were discussed during the passage of the Interception of Communications Bill, and I have nothing to add to what was said then.

Several Hon. Members *rose*——

Mr. Speaker: Order. There is a very important debate to follow. I shall take one more question.

Mr. Ernie Roberts (Hackney, North and Stoke Newington): In view of the serious statement on security by the Prime Minister, will she consider withdrawing a statement sent to me from the Cabinet Office Management and Personnel Office? The Minister concerned said that it was the Government's

"declared policy to introduce competitive tendering for services, including security guarding, in Government Departments . . . I cannot go into detail about the steps which are taken to ensure the suitability of commercial guarding companies".

That is what I was told, and yet the Prime Minister makes statements about her concern for national security.

I am not prepared to allow private companies to be responsible for the security of the correspondence of hon. Members. *[Interruption.]* Hon. Members may laugh. The citizens of this country are entitled to security for their correspondence with their Members of Parliament. To place that security in the hands of private companies——

Mr. Speaker: Order. Does the question have anything to do with the security services?

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker.

Mr. Speaker: I shall take the point of order afterwards.

Mr. Skinner: It is relevant to the statement, Mr. Speaker.

Mr. Speaker: Order. I shall take the point of order afterwards.

Later——

Mr. Harry Cohen (Leyton): On a point of order, Mr. Speaker.

Mr. Speaker: Order. I hope that the hon. Gentleman will be brief, as we have a busy day.

Mr. Cohen: My point of order arises from the Prime Minister's statement. As you will recall, Mr. Speaker, there were only four hon. Members standing at the end of the Prime Minister's statement—myself, my hon. Friend the Member for Newham, North-West (Mr. Banks), who had been trying to ask a question all the time, my hon. Friend the Member for Bolsover (Mr. Skinner), who began to seek to ask a question in the middle of questions, and the hon. Member for Littleborough and Saddleworth (Mr. Dickens), who began to seek to ask a question at the end of questions. You, Mr. Speaker, moved on without calling us, but at the end of business questions you said that you would take questions until 4.15, but called all those hon. Members who had been seeking to ask questions up to now, 4.24. That is wrong, Mr. Speaker, because——

Mr. Speaker: Order. Let me stop the hon. Gentleman right there. These are different matters. The hon. Member will accept that business questions are prized Back-Bench opportunities to put questions to the Leader of the House. He will know that I always seek to call as many hon. Members as possible on business questions. I cannot always call everybody on statements; it would be impossible to do so. More than 32 hon. Members wish to take part in the next debate. I am sure that the hon. Gentleman does not wish to delay that, because many of those hon. Members are colleagues from his side of the House.

Mr. Cohen: I understand that, Mr. Speaker, but the point needs to be made. I appreciate your point about business questions being prime time for Back Benchers, but so are statements on security services. The chances for hon. Members to ask questions are fewer on this subject than on business questions. When we try to raise the matter, it is blocked by the Table Office. I wanted to raise three clear points with the Prime Minister, none of which were made during the supplementary questions. I wanted to ask that anyone in the security services——

Mr. Speaker: Order. The hon. Gentleman cannot do that. I have to exercise discretion. He will know that there are other opportunities to put his questions. I try to be as fair as possible in allocating the available time. I cannot take further points on that now.

Mr. Cohen *rose——*

Mr. Speaker: Order. The hon. Gentleman is being selfish in seeking to keep out other hon. Members. The only sanction that I shall have is to call more hon. Members from Conservative and alliance Benches if the hon. Gentleman wishes to take time from his colleagues.

Mr. Cohen: A question arises out of your first ruling, Mr. Speaker. You said that there are other opportunities for Back-Bench Members to raise this matter. Where are those opportunities for debate on the security services? The Leader of the House said that there will not be a debate next week.

Mr. Speaker: Order. The hon. Gentleman will have to find other opportunities.

Mr. Cohen: There are none.

Business of the House

3.54 pm

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): With permission, Mr. Speaker, I should like to make a statement concerning next week's business. It will be as follows:

Monday 13 May — Until seven o'clock, private Members' motions. Remaining stages of the Surrogacy Arrangements Bill, and of the Prosecution of Offences Bill *[Lords]*.

The Chairman of Ways and Means has named opposed private business for consideration at seven o'clock.

Tuesday 14 May — Second Reading of the Oil and Pipelines Bill. Remaining stages of the Ports (Finance) Bill.

Wednesday 15 May—Opposition Day (11th Allotted Day). There will be a debate on an Opposition motion titled "The Government's Neglect of British Industry and the New Technologies."

Motion on the Unfair Dismissal (Variation of the Qualifying Period) Order.

Thursday 16 May — Motion on the Spring Adjournment.

Second Reading of the Administration of Justice Bill *[Lords]*

Friday 17 May—Private Members' Bills.

Monday 20 May—Debate on a Government motion on the report of the Auld committee of inquiry into proposals to amend the Shops Acts, Cmnd. 9376.

The House will wish to know, Mr. Speaker, that it will be proposed that the House should rise for the Spring Adjournment on Friday 24 May until Monday 3 June.

Mr. Neil Kinnock (Islwyn): I am grateful to the right hon. Gentleman for his statement.

In view of the hostility that the Unfair Dismissal (Variation of the Qualifying Period) Order will arouse among hourly paid workers, will the right hon. Gentleman ensure that more time is given for that debate next Wednesday so that more right hon. and hon. Members can participate, as the subject will affect many workers in Britain?

May I ask the right hon. Gentleman, for the sixth time, for a debate on the report of the Commission for Racial Equality and tell him that we want such a debate to be held on a day and at a time when it can be reported fully in the press?

Is the right hon. Gentleman aware that there is growing anxiety among management and workers at the prospect of the social security review and its findings undermining the state earnings-related pension scheme, which workers depend on to provide them with pensions that will free them of the need to claim social security in retirement? The Prime Minister said earlier that the discussion of these matters in Cabinet had been concluded. When will we have a statement? Will it attend to each of the subjects separately, or does the right hon. Gentleman hope that they will be lumped together, thereby somewhat restricting the discussion that should take place?

Mr. Biffen: The right hon. Gentleman will have heard that it is proposed that the White Paper should be published shortly after we return from the Whitsun recess and be accompanied by a statement to the House. I note what he said about the desirability——

Dr. Oonagh McDonald (Thurrock): It is a Green Paper.

Mr. Biffen: I am most grateful for that correction. It is a Green Paper. We are linked in a dream partnership that has saved me from those incautious words. I take the right hon. Gentleman's point about the ambit of the statement and will refer it to my right hon. Friend the Secretary of State.

I note what the right hon. Gentleman said about a debate on the report of the Commission for Racial Equality. He will appreciate that this matter has been attended to through the usual channels. I shall ensure that the matter is further attended to.

I take account of the right hon. Gentleman's request for extended time on the debate on the unfair dismissal order on Wednesday. That matter can be helpfully attended to through the usual channels.

Mr. J. Enoch Powell (South Down): Did the Leader of the House notice that the House got on to the Adjournment last night at 8.17 pm? Is this not difficult to reconcile with any suggestion that the Government might find it difficult to provide a little time for the passage of measures desired by the House?

Mr. Biffen: The right hon. Gentleman is entitled to travel hopefully. It is in the essence of Parliament that it should be unpredictable, above all, about the Committee stages of Finance Bills, which are greatly influenced by the wishes of the Opposition. I am not sure whether the Government can be blamed if business ends a little early.

Several hon. Members *rose*——

Mr. Speaker: Order. This is an appropriate moment to say that there is nothing unpredictable about the number of hon. Members who wish to participate in the debate on the multi-fibre arrangement. In view of that, I shall allow business questions to continue until 4.15 pm.

Mr. Harry Greenway (Ealing, North): In view of the damage being done to schoolchildren and schools by the Militant Tendency and the Young Socialist organisation of the Labour party office, which are subverting schoolchildren dangerously, keeping them out of school and closing schools, may we have an early statement from the Secretary of State for Education and Science, on which hon. Members may question him and seek an assurance from him that schools will not be closed because those organisations are damaging children's chances of education?

Mr. Biffen: I shall refer my hon. Friend's point to my right hon. Friend the Secretary of State for Education and Science. He makes a legitimate point about a matter which has caused a great deal of anxiety. However, I must point out that he has a chance of raising the matter on the motion for the Spring Adjournment.

Mr. James Hamilton (Motherwell, North): Will the Leader of the House bear in mind the report in the media that the Secretary of State for Scotland will today make a statement about rates in Scotland at the Tory party conference? Will he ensure that the Secretary of State for Scotland makes the self-same statement in the House, and apologises to the House for making the statement outwith the elected Chamber?

Mr. Biffen: If my right hon. Friend the Secretary of State for Scotland is locked in conclave with the

Conservative party conference, he deserves our good wishes, not our abuse. Any substantive statements that must be made about rates will undoubtedly be made to the House next week.

Mr. Nigel Forman (Carshalton and Wallington): As many Conservative Members are anxious that the Government should get their conclusions right following the social security reviews, will my right hon. Friend assure the House that there will be the fullest possible opportunity for debates on those matters soon after the Green Paper is published? Can he further confirm the point to which he alluded in answer to his dream partner, that it will be a genuine Green Paper?

Mr. Biffen: I take account of what my hon. Friend says about the desire for a debate in the Chamber. It must be held in the wider context of a national debate, which will attend the topic. I confirm that it is a Green Paper.

Mr. Paddy Ashdown (Yeovil): The right hon. Gentleman will recall that I have frequently pressed him for a debate on the Export of Goods (Control) Order, which brings into operation the COCOM agreement. Indeed, he has gone further and given a generally sympathetic welcome to the value of such a debate. Has he had time to see the reply from the Minister for Trade, who said that the order would probably come into effect on 12 June? Will he show more clearly whether the Government are prepared to give time to discussing this matter which is vital to British high technology industry?

Mr. Biffen: I shall certainly consider that point and be in touch with the hon. Gentleman.

Mr. Robert Rhodes James (Cambridge): Regarding the Auld report on unrestricted Sunday trading, is my right hon. Friend aware that, although Conservative Members accept that the anomalies in the present law need to be rectified, we have grave doubts about the need to introduce unrestricted Sunday trading? Will he bear that in mind when he prepares for the debate?

Mr. Biffen: I note what my hon. Friend says. Clearly the matter evokes a wide range of opinions across the House. He will be interested to know that the Government motion will go down this afternoon and, therefore, will be available for consideration.

Mr. Brian Sedgemore (Hackney, South and Shoreditch): As we now know that the largest political donation in history is enmeshed in fiduciary impropriety, will the Leader of the House arrange for a debate so that we can discuss proposals to prevent future double-dealing, double standards and double hypocrisies on the part of the double Davids?

Mr. Biffen: I have always sought delicately to avoid the big Ds. The matter could conceivably arise on the motion for the Spring Adjournment. I should love the opportunity of answering such a debate.

Mr. Henry Bellingham (Norfolk, North-West): Is my right hon. Friend aware that hon. Members have recently received from the Fees Office a letter about their mileage allowance? For cars between 1,300 cc and 2,300 cc hon. Members will receive 28p, and for cars over 2,300 cc they will receive an embarrassing 42p. Is that not an open invitation to hon. Members to buy foreign gas-guzzling cars? Is it not absurd at a time when the Government seek to contain public expenditure, and should we not debate the resolutions again?

Mr. Biffen: It is an interesting development of the argument—I think that it has now been lifted from the columns of the *Daily Express*—to suggest that the only large capacity cars are foreign cars. If my hon. Friend wishes to become an expert on gas-guzzling cars, he will find plenty of home grown varieties. I shall be happy to see him if he wishes to raise any serious points on the matter.

Mr. Alfred Dubs (Battersea): Is the Leader of the House aware that both sides of the House wish to establish an Anglo-Irish parliamentary tier? When Ministers are asked about it they say that it has nothing to do with them and that it is up to Parliament. Can the right hon. Gentleman either find time for a debate on the matter, or suggest a way by which the House can express its views and achieve that end?

Mr. Biffen: No time has been provided for such a debate next week. If the hon. Gentleman believes that there is such universal support for the proposition, he has other ways of testing it.

Sir Kenneth Lewis (Stamford and Spalding): My right hon. Friend will be aware that in the past there has been criticism on the Floor of the House of the ability of the Church of England to represent great national occasions in our religious services. May we place on record that yesterday the service in Westminster Abbey and the remarks of the Archbishop of Canterbury were highly acceptable and splendidly delivered?

Mr. Biffen: I am not sure that next week's business is the obvious way to place on record praise for yesterday's sermon. However, that shows that Parliament has its ways and means.

Mr. Ray Powell (Ogmore): Will the Leader of the House make it clear whether, when we discuss the Auld report on 20 May, we shall have a firm declaration from the Government about the report's proposals on wages councils? As a Member sponsored by the Union of Shop, Distributive and Allied Workers, I must declare my interest. I listened yesterday to the remarks of my hon. Friend the Member for Workington (Mr. Campbell-Savours) about the declaration of interests. The Leader of the House should examine closely the interests of hon. Members who may participate in that debate, especially private interests in garden centres, DIY stores, Sunday opening and amendments to the Shops Act. Will he assure the House that he will ensure that those hon. Members declare their interests, especially regarding a firm called GJD?

Mr. Biffen: I will draw the attention of my right hon. and learned Friend the Home Secretary to the hon. Gentleman's point about a debate and a statement of Government policy about wages councils, as he will take part in the debate. I think that the House understands the expected conventions about the declaration of interests, and I am sure that it will abide by them.

Mr. Eric Forth (Mid-Worcestershire): Is my right hon. Friend prepared to consider sympathetically the request by the right hon. Member for Islwyn (Mr. Kinnock) for more time for the debate on unfair

[Mr. Eric Forth]

dismissals, in view of the fact that many of the right hon. Gentleman's hon. Friends are threatened with unfair dismissal by their general management committees and may wish to bring their problems to the House for discussion?

Mr. Biffen: I thought that my warm reaction was so transparently sympathetic and devoid of any code that it must be for the reasons stated.

Mr. Peter Hardy (Wentworth): Does the Leader of the House accept that the Prime Minister and several of his ministerial colleagues have given specific, categoric and repeated assurances that the NACODS agreement would be scrupulously observed? Is he aware that the National Coal Board has shown a considerable disdain for, and appears to be rejecting, the agreement? If he will not provide time for the House to debate the agreement, may we at least have time to consider the meaning of words such as "sacrosanct", and to allow Labour Members to use such words as "inexactitude"?

Mr. Biffen: I realise that this is a matter of general concern on both sides of the House. There is no provision for a debate next week, but I shall draw the attention of my right hon. Friend the Secretary of State for Energy to the point that has been made.

Mr. Tony Marlow (Northampton, North): My right hon. Friend will be aware that yesterday, on a bogus point of order, the hon. Member for Workington (Mr. Campbell-Savours) launched a scurrilous attack on the Liberal party, suggesting that the British School of Motoring had bought it with a bribe of £188,000. My right hon. Friend said that this would be a suitable matter for the Spring Adjournment debate, but we must all wish to be fair to the Liberal party. Would it not be more appropriate to have a three-hour debate so that we could find out precisely what happened?

Mr. Biffen: It is an imperfect world, and next week only the Adjournment debate is available.

Mr. John Ryman (Blyth Valley): May I ask the Leader of the House a serious question for a change? Will he arrange the business of the House in such a way as to give us the opportunity to debate the peremptory closure of coal mines in the north-east of England, especially Blyth Bates colliery and a pit in Durham, where the National Coal Board has completely ignored the existing review procedure and peremptorily closed both pits without notice, without negotiation and in breach of promises made to the NUM in both areas? Will the right hon. Gentleman treat this matter as extremely urgent, since more than 3,000 jobs in the north-east are involved?

Mr. Biffen: I appreciate that the hon. Gentleman raises a matter of great constituency interest, to which he has already drawn the attention of the House through the Standing Order No. 10 procedure. I can offer no Government time for a debate next week, but I shall report the matter to my right hon. Friend the Secretary of State for Energy.

Mr. Edward Leigh (Gainsborough and Horncastle): On Monday afternoon, the House will be given an opportunity to debate civil liberties. Does my right hon. Friend agree that it is disgraceful that the National Council for Civil Liberties (sic) is trying to deny to some people the most fundamental civil liberty of all—the right to go to one's place of work free of intimidation and mobs? In the light of the disgraceful goings-on in the council, will my right hon. Friend try not to put in too many statements on Monday afternoon so that the true guardians of civil liberties on the Conservative Benches can speak in the debate?

Mr. Biffen: Private Members' debates on Monday afternoons have been known occasionally to lapse into torpor. I am glad that my hon. Friend gives notice that that will not be the case next week.

Mr. Tony Banks (Newham, North-West): Has the Leader of the House seen early-day motion 672?

[That this House believes that, in order to carry out their responsibilities to their constituents and to play a more effective role in the legislature, it has become urgently necessary for honourable Members to have, as a minimum requirement, the resources to employ a secretary and a research assistant paid direct by the Fees Office; and expects Parliament to provide these resources as a matter of urgency for every honourable Member who wishes to make use of such facilities.]

Has he noted the many hon. Members from both sides of the House who have signed the motion? Is he further aware that many hon. Members believe that our efficiency is greatly impaired by the lack of secretarial and research resources, and will he arrange for an early debate on this matter, which is taken seriously by all hon. Members?

Mr. Biffen: I recognise that it is a matter of considerable seriousness to many hon. Members, but I must tell the hon. Gentleman that no Government time is available for such a debate next week.

Mr. John Browne (Winchester): Does my right hon. Friend agree that, in the event of hostilities, Britain would be largely denuded of its regular forces, leaving a key role to be played by reservists, the civil defence force and the police? Is he further aware that some Socialist-controlled police authorities are preventing officers from their forces from taking part in exercises, such as "Brave Defender" which will take place in the autumn of this year, and that that will have a detrimental effect on our national defence? Does not interference with national defence by local authorities deserve a debate?

Mr. Biffen: I endorse wholeheartedly the importance of the topic, but there is no Government time for the debate that my hon. Friend wishes. I suggest that he pursues whatever opportunities free enterprise presents.

Mr. Clive Soley (Hammersmith): Does the Leader of the House recognise that his answer to my hon. Friend the Member for Newham, North-West (Mr. Banks) will have angered many hon. Members on both sides of the House? It was not an acceptable answer. The names on the early-day motion represent only the tip of the iceberg. If the right hon. Gentleman does not wish to become like the captain of the Titanic, rearranging the deck-chairs as the ship goes down, he would do well to make Government time available for such a debate.

Mr. Biffen: I notice the friendly advice about lifebelts.

Several Hon. Members *rose*——

Mr. Speaker: Order. Although I said that questions would stop at 4.15, I shall call those hon. Members who

have been rising. Perhaps I could say to the hon. Member for Bolsover (Mr. Skinner) that I shall trade a question from him for his point of order.

Mr. Peter Bruinvels (Leicester, East): Is my right hon. Friend aware that, in 1984, 4,100 youngsters under the age of 18 went missing in the Metropolitan police area? Is that not a worrying figure? The child of one of my constituents was kidnapped and taken to Pakistan only two weeks ago, but the Foreign Office did not keep in touch with the Home Office, so that when the child returned to Britain there was no check at the airport. May we have a debate on missing children as a matter of urgency?

Mr. Biffen: I cannot offer Government time for such a debate, important though it is, but I shall draw my hon. Friend's point to the attention of Ministers in those Departments.

Mr. Jeremy Corbyn (Islington, North): Is the Leader of the House aware that, this week, the European Parliament debated a motion concerning the plight of Cypriot refugees, and that it will debate another such motion in the near future? Would it not be appropriate if the House — *[Interruption.]* If Conservative Members want the name of my tailor, I shall gladly give it to them. This is the latest in summer wear. It is British-made.

Would it not be appropriate to debate the position of Cypriot refugees who were not covered by the 1982 partial amnesty decision? Several families living in Britain are threatened with deportation to a part of Cyprus where their homes are occupied by someone else, and Caterina and Vassilis Nicola have taken refuge in a church in Camden Town to avoid such deportation. Should not the plight of those families and of Cypriot refugees in general be fully debated by the House, as it never has been since the war in 1974?

Mr. Biffen: I must give a disappointing reply to the hon. Gentleman. No Government time has been provided for such a debate next week. If he wishes to pursue the subject, he should try the avenue of an Adjournment debate.

Mrs. Elaine Kellett-Bowman (Lancaster): Has my right hon. Friend read early-day motion 634?

[That this House notes with concern the British Broadcasting Corporation's intention to defray the damages and costs of the libel action incurred by the That's Life programme team out of money generated by licence fees, which have recently been substantially increased; does not believe that this is the purpose for which low wage earners and pensioners pay a television licence fee; and hopes that in future the British Broadcasting Corporation will take greater care.]

If so, is he aware that an increasing number of hon. Members and of British citizens are becoming worried that the BBC can, with impunity, libel innocent citizens, knowing that the damages that it may incur will be paid from licence fees? Does that not enable the BBC to blackmail people because they cannot afford to sue it for defamation?

Mr. Biffen: My hon. Friend's important point arouses a strong response on both sides of the House. However, no Government time is available for such a debate. I hope that she will pursue the matter through other channels.

Mr. Dennis Skinner (Bolsover): Will the Leader of the House reconsider what he said about a properly organised debate on the British School of Motoring's expenditure of £188,000 to purchase the Liberal party? Does he recall that a few weeks ago the Liberal party and the SDP lost about an hour from an important debate about ballots and trade union money? It would be a good idea if the Leader of the House were kind enough to give them back that hour so that they might defend their position. They appear to be whiter than white but are receiving money—£188,000—about which there was no ballot in BSM. One man, Anthony Jacobs, cast £188,000-worth of votes. We now hear, according to stories today, that further scandals are about to emerge arising out of people who are living in tax havens which are not unknown to the Liberal party. I am sure we should find time for a debate about that.

Mr. Biffen: I am glad that, in the scale of values of the hon. Member, I rate a notch higher than a point of order. Although but a little more, how much it is. It shows what political choice reveals. His judgment of political cannibalism is to grill slowly over a persistent heat. I do not think that he wants the whole matter resolved in one grand debate, and therefore I shall be guided by him.

Civil Aviation Bill

4.21 pm

Mr. Peter Snape (West Bromwich, East): On a point of order, Mr. Speaker. I refer you to question 179 on today's Order Paper, tabled in the name of the hon. Member for Altrincham and Sale (Sir F. Montgomery):

"To ask the Secretary of State for Transport if he will make a statement on the Civil Aviation Bill."

I have from the Library a copy of the reply. It says:

"I undertook not to proceed with the Civil Aviation Bill until decisions had been taken on the inspector's report on the Stansted/Heathrow terminal 5 planning inquiries. My hon. Friend the Minister of State for Housing and Construction and I will not be in a position to announce those decisions in time for the Bill to complete all its remaining stages this Session. I am therefore withdrawing this Bill."

Is it in order to announce such decisions via a written reply when the Committee deliberating on the consequences of the Bill is due to meet again on 14 May further to discuss this matter? Is it not a gross discourtesy to the House to sneak through such decisions without notifying those hon. Members on both sides who were appointed to the Committee as long ago as December last year?

Is it not sadly typical of the Secretary of State for Transport that, having flouted the London Regional Transport Act and tacked undebated legislation on to the Local Government Bill, he should seek to conceal the depth of his latest self-inflicted defeat in this shabby manner?

Mr. Speaker: I have not seen the answer to which the hon. Gentleman draws my attention, but, as the hon. Gentleman kindly gave me notice that he was to raise this matter, I have had an opportunity to think about it. If he checks "Erskine May", he will find that it is in order for an hon. Member in charge of a Bill in a Standing Committee to give notice at the Table that he proposes to withdraw it. I note that transport questions will be answered on Monday, and there will be an opportunity then to discuss the matter.

Royal Assent

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

1. Reserve Forces (Safeguard of Employment) Act 1985.
2. Betting, Gaming and Lotteries (Amendment) Act 1985.
3. Town and Country Planning (Compensation) Act 1985.
4. Gosport Borough Council Act 1985.
5. National Bank of New Zealand Limited Act 1985.
6. Lloyds Bank (Merger) Act 1985.

Multi-fibre Arrangement

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

4.28 pm

Mr. Speaker: More than 32 hon. Members have shown their interest in this debate, and there may be others. I propose to apply a limit of 10 minutes on speeches between 6 pm and 7.50 pm. I hope that that will be the norm for the other speeches that may follow, because I should like—and I am sure that the House will agree—to call as many hon. Members who have a constituency reason for taking part in this debate as possible.

4.29 pm

The Minister for Trade (Mr. Paul Channon): I am glad to have the opportunity to introduce this debate. The House will know that the multi-fibre arrangement, which clearly will form the centrepiece of this debate, comes to an end in July 1986, and Governments all over the world, both in developed and developing countries, will have to take a view as to the next steps. My right hon. Friend the Leader of the House said in answer to business questions last week that this debate comes at a formative stage, and before positions are fixed. The Government have, of course, had to come to some preliminary views as to the next steps, but the House can be confident that its views are being expressed at the beginning of a long negotiation, when positions are still fluid.

My right hon. Friends and I will listen extremely carefully to what is said in this debate and it will be an important element in helping us to come to a final view on these issues. Perhaps I ought, at this stage, to remind the House that, of course, the British Government, in isolation, will not necessarily get their way in full. We shall have to establish a common position in the European Community, which the Community will negotiate in the general agreement on tariffs and trade, where, no doubt, the developing countries themselves will have strong views to express.

The starting point of the debate must be the state of the British clothing and textile industries. I am sure that the House will be in no doubt about the importance of the textile and clothing industries, both in terms of employment and skills. The industries have been through a process of painful adjustments during the past few years. Major changes have been made and the industries have made great strides in competitiveness. Output of the clothing industry, after having fallen very sharply in 1980 and 1981, has grown steadily in each of the last three years. The upturn in textiles started later than in clothing, and remains more modest, but again output is now moving in the right direction. I am glad to see that the profits of textile and clothing companies seem to be improving, too.

At the same time, there have been some encouraging improvements in export performance in some sectors and some markets. Knitwear exports to West Germany increased in value by 77 per cent. between 1982 and 1984. Our exports to the United States have also been impressive. Between 1982 and 1984 textile exports were up 100 per cent., knitwear exports up 121 per cent. and clothing exports up 195 per cent. More generally, our wool textiles exports increased from £426 million in 1983 to £538 million last year.

How has this happened? It is the result of much hard analysis of markets, much rethinking of product ranges and much reorganisation of production. Many firms have been focusing their efforts on more specialised, higher valued items, where design flair and other British strengths can be made to count.

A leading figure in the textile industry said recently:

"New products have been brought to the market and older ones up-dated — production methods have been adapted to improve quality and to reduce processing time and energy consumption. Customers' changing needs, more variety, more designs, more seasonal changes, shorter lead times — have been anticipated and met."

I am sure this is the type of effort that points the way for the British textile and clothing industries.

In the light of that, the House and the Government have to consider the future situation. The present system of controls in the developing countries' exports of textiles and clothing is due to end in July 1986 and discussions are just beginning about whether it should be extended. This system, known as the multi-fibre arrangement, is an internationally negotiated derogation from the general agreement on tariffs and trade and applies to the vast majority of textile and clothing products. In this country it has led to 500 quotas being applied to some 80 textile and clothing items from 27 developing countries.

In July of this year the GATT textiles committee will be discussing whether the MFA should be extended, modified or discontinued. The Community will need to agree its policy stance in advance of this, so in recent months I have been consulting a wide range of bodies interested in the future of the import regime for textile and clothing and, of course, many hon. Members as well.

First, we must look at the effect on the textile and clothing industries. Of our national expenditure on textiles and clothing, our domestic industry supplies 60 per cent. In addition to supplying this proportion of the home market, our industry exports 27 per cent. of its production. Therefore, 60 per cent. is supplied domestically by our industry and 40 per cent. of our home market is supplied from abroad. Out of the 40 per cent., 25 per cent. is supplied by foreign suppliers who face no restriction on their exports to the United Kingdom, mainly other Community and western European countries. The developing countries of the Third world, where exports are restricted by the MFA quotas, supply some 10 per cent. of our market—I emphasise that they supply 10 per cent. of our market—and approximately 5 per cent. comes from Mediterranean countries. Of the suppliers restricted by the MFA, Hong Kong is much the biggest.

Imports from the European Community have risen from about one third of the total imports of textiles and clothing in 1974 to almost one half in 1984, while the share coming from MFA suppliers has fallen. Developed countries as a whole now provide almost two thirds of our imports. This is partly because of a shift in demand in the United Kingdom towards higher value products, which favours developed country suppliers. In common with trade generally, our trade with our Community partners in textiles and clothing has increased in both directions. All this means that British textile and clothing firms are exposed to changing patterns of demand and to strong and shifting patterns of competition.

In addition to the MFA, the Community also has unilateral restrictions on textile and clothing exports from certain state trading countries and Taiwan, and has agreed voluntary restraints with a number of Mediterranean suppliers, of which Portugal is the biggest.

Mr. Jack Straw (Blackburn): Although one accepts the change in the pattern of imports, will the Minister accept that the impact of imports from MFA countries is significant and that the Silberston report predicted that if the MFA were to be abandoned there would be 50,000 more job losses than he predicted in the industry?

Mr. Channon: I am not seeking to argue that their impact is not significant. I want to get the figures straight and to give the facts to the House. I shall deal later, and in detail, with the Silberston report. It has been agreed during the accession negotiations that Portugal and Spain will have some restraints on their textiles and clothing for up to four years, but after that Spanish and Portuguese textiles and clothing will be subject to the normal Community rules of free circulation. In all, the low-cost suppliers whose textile and clothing exports are subject to quantitative controls of one sort or another amount to about 14 per cent. of our home market.

The point that I am making, which I take up with the hon. Member for Blackburn (Mr. Straw), is that, although the MFA is clearly an important issue for the British textile and clothing industries, it must be kept in proportion. Whatever happens to the MFA, the British industries' capacity to compete against the developed world—West Germany and Italy, for example—in both home and export markets will be crucially important for their future.

In considering our attitude to the renewal of the MFA, we must bear in mind the strenuous efforts being made to halt the spread of protectionism. This, of course, has far wider ramifications than for textiles only. There is general agreement among all the Governments—I emphasise all the Governments — of the summit countries that spreading protectionism would be a disaster for the growth of the world economy. Since the war, the open trading system has led to an eightfold growth in trade. Surely we must not fall into the trap that our predecessors fell into in the 1930s. This is particularly true for the United Kingdom, where I emphasise that exports are equivalent to 30 per cent. of our gross domestic product and where so many of our jobs are dependent upon our ability to sell abroad. The House must face the facts. I shall deal with policy in a moment or two. Not only do we need markets to sell our goods abroad, but we have to face the fact, not always palatable, that the poorer developing countries need markets, too, to sell their goods so that they can both afford to buy imports, including British imports, and also, incidentally, so that they can be in a position in many cases to pay their debts, to, among others, British firms and British banks.

Mr. Michael Latham (Rutland and Melton): While the general tenor of my right hon. Friend's statement is probably widely accepted, will he also address the crucial point that competition must be fair as well as free?

Mr. Channon: I could not agree more with my hon. Friend. I shall deal with that point, I hope in not too great detail, in about three minutes.

One of the subjects discussed at the Bonn summit, and earlier, both in the Organisation for Economic Co-operation and Development and in the Community, is the need for a new round of multilateral trade negotiations under the GATT. It is clear that the new GATT round is acquiring increasing international momentum and that it will happen in the near future, notwithstanding the fact that one or two Governments find it difficult to set a target date for getting the new talks launched. There has been concern in many countries that the multilateral trade system is being eroded by an increasing resort to protectionism. We share this concern—I come now to the point made by my hon. Friend the Member for Rutland and Melton (Mr. Latham)—and see the GATT round as an opportunity to achieve a better balance in the rights and obligations of all contracting parties to the GATT, to strengthen the GATT disciplines, which are so important to us as a trading nation, and to make sure that the rules are observed.

The negotiations, when they start, will be many sided. No serious objective should be left off the agenda. The negotiations will deal, of course, with tariffs, and especially with anomalously high ones, although tariffs are not in general the area where protection has grown. They will deal with many non-tariff issues, including trade in food, and in services—of prime importance to Britain.

Mrs. Elaine Kellett-Bowman (Lancaster): Will my right hon. Friend be considering the question of origin marking? At present the British housewife cannot make an intelligent decision on whether to buy goods with which she is presented because she does not know where they come from.

Mr. Channon: My hon. Friend raises an important point. We are considering the recent judgment of the European Court. I am not yet in a position to give the Government's reply to that, but my hon. Friend's point is well taken and I shall bear it in mind.

Mr. Robert Hughes (Aberdeen, North): On a point of order, Mr. Deputy Speaker. I am seeking to follow the Minister's argument carefully, but when he turns his head towards his own Back Benches the microphones do not pick him up. He was dealing with an important point about the European Court's decision.

Mr. Deputy Speaker (Mr. Harold Walker): No doubt the Minister will take on board what has been said.

Mr. Channon: I apologise to the hon. Member for Aberdeen, North (Mr. Hughes). I shall attempt to address my remarks to you, Mr. Deputy Speaker, but in such a way that the hon. Gentleman can hear.

One of the most important and difficult tasks facing the negotiators will be the restoration of confidence in the fairness of the the open trading system. Unless that is achieved, none of the other aims will be achieved.

We need GATT commitments on better access to the markets of the more advanced among the developing countries. It is one of the most unsatisfactory features of the GATT as it has grown up. Under part IV of the agreement, added with the best of intentions in the early 1960s, GATT rules exempt "developing" countries from any need to reciprocate the tariff reductions and other concessions to which the developed countries have committed themselves in successive rounds of negotiations. In other words, the rules as they stand give them the benefit of all the rights of the agreement, including open access to industrialised countries' markets, without giving comparable benefits in their own.

The history of commercial relations between developed and developing countries since then is perhaps an object lesson in the unwisdom of unequal treaties; the developing countries have not gained in practice in the way intended.

The treaty was bound to fall into disrepute, as it was felt to be unreasonable, and the result has been the imposition of restrictions on the developing countries' trade.

Moreover, developing countries, which are a numerical majority of the members of the GATT, are a purely self-selecting group. There are no rules about the stage of economic development at which the privileged enjoyment of rights without obligations ceases to apply. Successive British Governments have been willing and ready to accept that situation, but this bizarre and unbalanced relationship can now be acceptable to Governments and business in the developed world only if the stronger developing countries, those which are rapidly industrialising and already competing successfully in our markets, progressively shoulder the normal obligations of full GATT membership. Fairness in trade is essential, and we shall need it in textiles as well as in other fields.

Even if the new GATT round — this is strictly relevant to the MFA — is launched early next year, it will be some years, perhaps four or five years or more, before it is finished. It is clear, however, that the tasks facing the negotiators in these talks are not such that trade in textiles and clothing can simply be set on one side. It is not open to us, or, indeed, to any other Government, to consider the renewal or termination of the MFA in one watertight compartment and the new GATT round in another. Indeed, we must recognise that whatever British and other observers in developed countries may think of the MFA and the bilateral quotas under it, Third world countries regard it as an outstanding example of the way developed countries discriminate against them. For the most part they restrict the textile and clothing exports only of the developing countries to the developed countries, and not of the developed countries between themselves. We should not forget that textiles and clothing are much the most important of the developing countries' manufactured exports.

Nor must we be under any illusion that protection is costless. Protection does not solve problems; it creates them.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): Does the Minister intend to say something about the unfair competition in the form of support given by our fellow Community Governments, notably Belgium, France and Italy, to their industries compared with the British industry?

Mr. Channon: Indeed, as the House knows, the new Commission is taking a much more rigorous stance on the whole question of state aids in the textile and other industries. That is fair enough provided that it applies to everybody, not just to some.

Mr. Cyril Smith (Rochdale): We have been told that for 10 years.

Mr. Channon: I have not been saying that for 10 years, but it happens to be true nevertheless. The Belgian and the Dutch schemes have been cut back. If hon. Members have evidence of other schemes which are going ahead which are not meeting the Community rules, we shall be happy to pursue them energetically. Indeed, the Commission is presently studying an Italian scheme and we are determined to ensure that the rules are applied fairly to everyone in the Community, not just to some.

Mr. Nicholas Winterton (Macclesfield): Does my right hon. Friend agree that steps are always taken after the event? Our European colleagues have always spent the money, which has given their industries the advantage, whereas when we submitted our CLOFT scheme to the Commission it was turned down and a modest scheme of £20 million spread over four years was not implemented at all?

Mr. Channon: I regretted what happened over the CLOFT proposal, but we shall pursue energetically cases of other countries taking an unfair advantage in that way and would welcome any evidence from hon. Members or, indeed, the industry.

The House will be aware of Professor Silberston's report, published last December, which provides an independent assessment of the impact of the MFA on the economy. He found that the MFA raised the price of clothing in this country by about 5 per cent., costing British consumers some £450 million per annum. He said that the greater part of this cost benefited foreign rather than British manufacturers. He considered that the MFA protected some jobs in the textile industry, but said that in the economy as a whole the MFA was, if anything, doing more to reduce employment than to increase it. It seems clear that higher prices for the products of one industry must leave consumers with less money to spend on those of others.

The Silberston report has aroused wide debate not merely about the effect of restricting trade in the textile and clothing industries but on the economy as a whole. I am grateful to Professor Silberston for his work. Neither he nor the House will expect me to endorse every figure in the report, nor every conclusion. I am conscious of the fact that the industry has disputed a number of his calculations——

Mr. Nicholas Winterton: All of them.

Mr. Channon: I do not think that it has disputed all of them. The report is a carefully considered one which has received wide study.

The subject has also received international attention. The Organisation for Economic Co-operation and Development has recently published a report entitled "The Costs and Benefits of Protection". It shows that protection has a wide variety of consequences — trade diversion, price increases, enforced changes of product mix and transfers of wealth to foreign producers. All of that is echoed in Professor Silberston's work. Most important of all, the OECD study agrees with Professor Silberston that protection does not in the long run save jobs in the economy at large but reduces the scope for new employment by forcing some sectors of industry to bear the cost of protecting other sectors.

Dr. Keith Hampson (Leeds, North-West): It is all very well to talk about the generality of the economy, but what matters is the concentration of the textile industry in some parts of the country, particularly for certain categories of workers, such as part-time women workers and the ethnic groups. Frankly, that is spurious logic. I do not see how Ministers can argue, on the one hand, that if we reflate the economy most of the money will go on imports, but, on the other hand, if we suddenly put £400 million back into the economy it will somehow go on British manufactures, not on imports.

Mr. Channon: My hon. Friend knows me well enough to know that I will be coming to that specific point in a moment.

[Mr. Channon]

During the past several months I have been holding detailed consultations with all the British interests affected by the MFA. I have been anxious to get a balanced picture of the views of all interested parties. I have met trade associations, consumers, organisations and many hon. Members. I have also had many letters from hon. Members, some of them in identical terms.

As was to be expected, wider debate about the costs of protection has led to growing pressure, not only in this country but in the Community and elsewhere, for the MFA to be brought to an end. Within this country, consumer bodies, importers and retailers have called for a firmer commitment that special restrictions on textiles and clothing trade should be phased out. Consumers' organisations, in particular, expressed concern that the MFA bore especially heavily on lower-income consumers, and on the price of children's clothes.

Mr. Barry Sheerman (Huddersfield) *rose*——

Mr. Channon: I must get on. I have given way about eight times and about 32 hon. Members wish to speak. I do not wish to be rude, but I must press on.

The consumers' organisations argued that the cost of the MFA for consumers was disproportionately heavy in relation to any benefit that it brought to the industry. On the other hand, I have received strong representations from the textile and clothing industries and from trade unions, which have urged continuation of the MFA. Some trade bodies, such as Comitextil, the European trade association, on which the British industry is of course represented, have argued for a further four to five years of protection. Others have said that there is no telling how much longer protection should continue. I have been left in no doubt about its importance to particular areas of the United Kingdom. The industry has also drawn attention to the barriers which its exports encounter in many parts of the world. It has rightly pointed out that the MFA allows what it calls an orderly development of trade in textiles and clothing.

Although employment in the textile and clothing industries has fallen, it still represents 2 per cent. of employment in the economy as a whole. In addition, although employment in the clothing industry is dispersed fairly evenly across the country, employment in the textile and knitting industries is more heavily concentrated in particular regions. For example, in the Yorkshire and Humberside region, which has the strongest concentration of textile employment, more than 3 per cent. of all employees work in textiles. In the east midlands region, more than 4 per cent. of all employees work in the knitting industry.

It is, of course, precisely because parts of the country have been especially affected by the rundown that has taken place in the textile and clothing industries—as in some other industries — that the Government have launched the business improvement services scheme, with funding from the European regional development fund, over a four-year period up to 1989. Grants are available towards the cost of plant and machinery, and also for consultancy on computer applications, marketing and other matters. Some £63 million has been allocated to help small firms in these areas, including funding from the Community and from the Exchequer. Of this amount, the textile areas are rightly receiving the biggest slice. The better business services scheme in Scotland and Northern Ireland has been launched for the same purpose. There has been a very heavy take-up of those aid schemes.

In the light of all those factors, the Government must decide what action is needed. What action should we urge upon our Community partners, and what common position do we want the Community to adopt in the GATT? In all this the Government will, of course, have the interests of the textile and clothing industries very much in mind. When the new GATT round gets under way, as I said earlier, one of our key objectives will be to get the basic principles of the agreement accepted and observed on a reciprocal basis as obligations of all contracting parties to the agreement. Any exceptions should be confined to the poorer developing countries. It is time everyone realised that we are not prepared to be a soft touch any longer. Our aim must be mutual, not unilateral, disarmament of special exemptions or derogations.

I cannot disguise from the House the fact that the developing countries will tell us that we have had an MFA, designed as a temporary breathing space, for 12 years; and this, too, is a special derogation which must be brought to an end. Nor is it realistic for us to assume in the GATT negotiations that we and other developed countries will get our own way without us, too, having to make concessions. It will have to be a two-way process, and countries which do not think that it will be are deluding themselves. Any agreement along the lines that I have suggested would be strongly in our interests and those of developing countries as well.

There is also the question of state trading countries, whose trading policies and methods are different from those of the market economies. Those countries have required, and will continue to require, somewhat different provisions.

What, then, should be our position in this period of change? Despite pressures from developing countries and consumers' organisations in this country, I am convinced that the MFA should be renewed next year. I believe that it would be wrong to end such a long period of protection with a sudden jolt. A further period of protection will give the British textile and clothing industries time to establish their international competitiveness, not only against developing countries but against the developed countries, which are both the major source of imports and the major market for our companies' exports.

Mr. Robert Hughes: Will the right hon. Gentleman give way?

Mr. Channon: I am about to deal with the details.

Mr. Hughes *rose*——

Mr. Channon: I have already given way about 10 times.

Mr. Deputy Speaker: Order. The Minister is clearly not giving way.

Mr. Hughes: I thought that the Minister might be persuaded.

Mr. Channon: I should prefer not to give way, as I must press on.

I believe that the renewal of the MFA in some form will be widely supported among our Community partners. We must now consider on what terms the MFA should be renewed, and for how long. Clearly, with the new GATT round approaching, any renewed MFA will be in some

sense a transitional measure. Some of our European Community partners may press for a prior commitment that thereafter all special restrictions on textile and clothing trade will come to an end—[HON. MEMBERS: "Hear, hear."]—but despite my hon. Friends' views I think that it would be premature to give such a commitment unconditionally at this stage. This is a matter that will have to be negotiated in the GATT round. In those negotiations all the major participants should be prepared to see all the major derogations and exemptions from the basic rules of the GATT put on the table for negotiation. For the developed countries this cannot exclude the MFA. *[Interruption.]* As the right hon. and learned Gentleman knows, the British Government are extremely anxious that there should be talks on agriculture. For the more advanced developing countries, that cannot exclude their own exemptions from GATT obligations. The important point is that the process of the GATT round will take several years, and it is in this context that the longer run future of the MFA should be decided.

I shall now give way to the hon. Member for Aberdeen, North.

Mr. Hughes: I am grateful to the Minister for giving way. The House welcomes the fact that the Minister has committed himself to the principle of renewing the MFA, but will he go further and commit himself to the principle that the MFA will not be phased out? Will he give us an assurance that we are not talking about an arrangement that will last for five or six years and then end? Unless he has that basic principle in mind, he will be driven into a transitional arrangement and the MFA may come to an end.

Mr. Channon: As I have said, some of our partners may press for a prior commitment that thereafter all special restrictions will come to an end, but it would be premature to give such a commitment unconditionally at this stage. We cannot tell. I am saying that the renewed MFA should be designed to carry us from July 1986 into these wider GATT negotiations. In the negotiation of this, there will not unnaturally be pressure from the developing countries for the general improvement in economic conditions to be reflected in access levels. Nor can we forget the British consumer. So a rather more liberal arrangement than the present one seems inevitable and surely right.

I am sure, for example, that some of the existing quotas can be dispensed with altogether. I have in mind especially those whose costs are disproportionate to the amount of British production protected and some textile quotas which seriously handicap British clothing firms. Increases in other quotas are likely to be justified. In particular, I accept the indications that the restrictions have borne especially heavily on the price of children's clothes, and we shall be seeking to liberalise these restrictions where administratively practicable.

We shall also seek above average improvements in the access levels for the poorest developing countries, and for those whose own trade barriers to British exports are low. More advanced developing countries whose own trade policies are restrictive should not be looking to enjoy much liberalisation of their quotas unless, as I naturally hope, they are prepared to open up their own markets.

I said at the beginning of this speech that the Community would need to agree a broad policy stance by July, and I have outlined what, in the Government's view, that stance should be. This, however, will be only the beginning of a negotiation. The MFA does not expire until July of next year, and the bilateral agreements negotiated by the Community under it last until the end of 1986. As the negotiations proceed, the positions of other major participants will become clearer. Plainly, the Community's position will have to evolve to take account of this. The position of the United States will obviously be specially important.

We shall, of course, keep in close touch with the industry and with other interested parties, as well as with the many hon. Members who clearly take an interest in this subject. The House will have seen the early-day motion in the name of my hon. Friend the Member for Harborough (Sir J. Farr). It has attracted 110 signatures from hon. Members in different parts of the House — *[Interruption.]* Although I may not be in complete agreement with all of its preamble, I have accepted its main conclusions. We have agreed to work, as the motion says,

"for an effective renewal of the Multi-Fibre Arrangement which provides developing countries with guaranteed and growing access to the markets of the European Community and ensures a framework of order in international textile and clothing trade that would not otherwise exist."

We are at the beginning of a long road. The House will not expect me to give away all of my hand at this stage, but I am glad to have had the opportunity of bringing the issue to the attention of the House in order to give hon. Members an early chance to debate the subject, and I look forward to hearing their views. We shall consider the debate very carefully and will bear hon. Members' views in mind throughout these long negotiations. I have a sneaking suspicion that this may not be the last debate that we have on this subject.

5 pm

Mr. John Smith (Monklands, East): The debate provides a timely and welcome opportunity for hon. Members to tell the Government the targets that they should set for the renewal of the MFA in the forthcoming discussions in the EEC and GATT and in the bilateral negotiations with supplier countries.

In recent months the Minister for Trade has been asked to state the Government's attitude to the renewal of the MFA. Time after time he has been unable to say whether it would be renewed. Not until today towards the end of his speech was it possible for him to say that the MFA would be extended in principle. He was not able to answer in the robust terms that we prefer.

If we say today that we are glad that the Government have at last said that they favour the renewal of the MFA it is thanks for small mercies. The Government's position should never have been in doubt. It should have been possible for the Government view to be articulated clearly and confidently long before today. At least the Government are at the starting gate, but they have a long way to go. Our fears about the Government's resolve to negotiate a satisfactory renewal of the MFA have not been laid to rest.

Much of the Minister's speech was a ramble round some interesting issues to be discussed in the wider GATT talks. He quoted from a number of documents which seemed to take the criticisms before the defences of the present arrangement. He offered a rather lukewarm endorsement of the principle of continuing the

[Mr. John Smith]

arrangement, with the clear hint that the Government thought that this was likely to be the last exercise on the MFA. I believe that some of the Minister's advisers, who are known to take a prominent free trade position, had a little too much to do with the preparation of his speech.

Before I deal with the Minister's observations in detail I shall make clear the Labour party's view. We are strong and convinced supporters of the concept and basic structure of the MFA. Since 1974 it has provided a framework for regulating the terms of trade in sensitive textile and clothing goods from supplier countries to the markets of the major developed countries—primarily the EEC, the United States of America, Canada, some Scandinavian countries and Austria. We are familiar with the defects of the arrangement, but we believe that it has contributed greatly to the stability and orderliness of this extensive trade and that it has permitted imports to the developed countries to increase substantially without wrecking the textile and clothing industries in those receiving countries.

That does not mean that the textile and clothing industries in Britain have had an easy time. They have had to face major contractions and a great deal of unemployment in recent years. The MFA, which is only an umbrella agreement affecting the terms of trade, could not secure the industries against the massive recession, or the foolish Government policies which have accentuated the effects of that recession. It could not protect the industries from the depression of domestic demand, the erratic fluctuations in the exchange rates or the destruction of regional industrial assistance which Conservative economic policies have visited upon them.

Without the arrangement the difficulties for the industries would be much worse. Some of the encouraging signs in the industries would probably not have appeared without the arrangement to guide the decisions of those who have recently made important investments.

I hope that the alliance, whether it has one view or two, will make its view crystal clear. We have no doubt that the arrangement must be renewed on a basis which gives security and confidence to our textile and clothing industries. That is not the MFA's only objective, but it is crucial and we in the Labour party support it unreservedly.

Mr. Michael Fallon (Darlington): Does the right hon. and learned Member for Monklands, East (Mr. Smith) recall that a Labour Secretary of State, when renegotiating the second MFA in December 1977, described it as a historic turning point in the history of the textile industry? Does the right hon. Gentleman now imply that the arrangement should become a permanent part of our world trading scene?

Mr. Smith: The MFA has proved its worth since 1977. I argue not for the extension of the MFA, only for a further period. We should seek to extend it for a longer period than is contemplated. We should negotiate that now so that we have a 10-year run with an opportunity perhaps to review it after five years.

Another objective that we regard as being of great importance is to secure greater access for the products of the least-developed supplier countries to our markets. Currently the dominant suppliers are the so-called newly-industrialised countries such as Hong Kong, Macao and South Korea. They cannot be regarded as being among the poorest of the developing countries. They have prominent and robust economies.

The suggestion that the MFA is directed against the poorer and starving countries of the world reveals a gross misunderstanding of its purpose and its effect. The MFA is the mechanism which allows some of the poorest countries access to our markets against competition from some of the stronger, newly-industrialised countries.—*[Interruption.]* I notice cries from the Government Benches. Some hon. Members are keen on the principle of free trade. I wonder whether the enthusiasm for free trade of those who represent agricultural constituencies takes them far enough to condemn the common agricultural policy. Whenever their vested interests are challenged they run a thousand miles from free trade.

More room should be found in the arrangement for the least developed countries. That is a reasonable objective and I am glad that the Minister noted it. For the least developed countries the MFA offers a better prospect of orderly access than any other method.

Any objective evaluation of the MFA shows that it has helped to achieve two important objectives—order and opportunity in the world trade in textiles. Those twin objectives are at the heart of the matter. We need order to prevent surges of imports which could wipe out important industries, destroy companies and jobs and further imperil the declining manufacturing industries in the United Kingdom. We need opportunity to encourage growth in trade and to stimulate the market.

Let us be clear that the textile and clothing industries make a major contribution to the United Kingdom economy and that important issues and interests are at stake in the discussions. It is fashionable in the present Government to look disparagingly at manufacturing industry, particularly in the traditional areas of activity. I remind Government Members and others that the sales worth over £10 billion in the textile and clothing industries represent an added value of £3·9 billion. That is greater than the value added of the whole of the motor vehicle industry, more than half as much again as that of the aerospace industry and over twice that of the computer and office machinery industry.

Perhaps most important for a country labouring under the heavy burden of unemployment, which Conservative economic policies have placed upon the nation, almost 500,000 people are employed directly in the textile and clothing industries. Many are concentrated in areas which are particularly vulnerable to unemployment—the north-west, Yorkshire, Scotland, Northern Ireland and the inner cities. A large number of women are employed in the industry and their wages are often crucial to family incomes A large proportion of employees in the industries belong to our ethnic communities.

Dr. John Marek (Wrexham): My right hon. Friend will know about the Courtaulds proposal to close two factories in north-east Wales. Will he underline the need for a fourth MFA to prevent the further contraction of the textile industry? Does he agree that it is vital to have an effective MFA to keep the industry at its present level without further cuts in jobs?

Mr. Smith: I am grateful to my hon. Friend for making an apposite intervention. He is more aware than most of us of the effect that the Courtaulds closures have had in

north Wales and the fears which exist. The House is aware that his constituency has been affected directly by one of the closures. It is a stark example of the fragile nature of a great deal of the clothing and textile industries. It shows that we cannot afford to take any risks with their future or with the employment that they provide. The Government must bear that in mind when they enter the negotiations. I hope that Ministers will keep the Courtaulds example in front of them and recognise what might happen on a much greater scale if the negotiations are not concluded satisfactorily.

Extremely important social considerations involving the welfare of people throughout the nation are at stake. The Silberston report refers to a possible job loss of 48,000 if the MFA were not to be renewed. However, there are many in the industry who take the view c the TUC that that estimate is far too low and that if the arrangement were not renewed satisfactorily 100,000 would be a more realistic figure. I happen to know that that is the view of the employers' organisations as well.

Britain cannot afford to lose any more jobs in these industries. It would be intolerable if in our handling of these matters we were to add to the serious unemployment in the areas and categories to which I have referred.

Another important aspect of the MFA is that it has permitted a considerable increase in imports from supplying countries. It has created substantial opportunities even in a period when market demand in the United Kingdom has been static or falling. The rate of import growth has not been restricted to growth in market demand, with the result that in sluggish market conditions the increase in low-cost imports has far outstripped the growth in the market itself. Between 1978 and 1984, market demand in the United Kingdom appears to have fallen by about 1 per cent. In the same period imports from suppliers under MFA bilateral agreements increased by 15 per cent. If we include imports from the preferential Mediterranean associates, there was an increase of 23 per cent. It is not true to suggest that the arrangement has set up an unyielding set of barriers to growth in trade. The supplying countries saw a substantial increase in access to our markets between 1978 and 1984.

These are the facts and it is unfortunate that many of those who contribute to the argument about the arrangement believe that facts are much less important than theory. Those who believe almost theologically in free trade—I am looking straight at some of them on the Conservative Benches—have always regarded the MFA as objectionable. For many years there has been no greater disparity between theory and practice and profession and action than in talk about international trade. There is a tendency throughout the world to state the principles of free trade almost to the point of tiresome repetition and behind the scene to set in train actions which, by whatever means, secure and protect markets without the slightest acknowledgement to the meaning of the principles which were so piously pronounced shortly before the actions were taken.

Mr. Kenneth Carlisle (Lincoln): The right hon. and learned Gentleman has talked about the practical effects of the MFA. Does he recall the dispute with Indonesia in 1980 about the MFA, involving about £10 million-worth of goods? As we could not reach a conclusion on that disagreement, we lost exports of about £160 million. Is that theory or is that practical?

Mr. Smith: I think that it is theory because we do not know whether we would have secured the order. It is always extremely doubtful to say that we would have secured certain orders. The hon. Gentleman knows that every country has to balance such considerations. If I gauge his line of thinking correctly, he is suggesting that without having secured anything on the export front we should bilaterally rid ourselves of the arrangement. His words can have no other meaning than that the arrangement acts against our national interest—[HON. MEMBERS: "Yes".] There we are. That is confirmed by several Conservative Members. There are substantial sections of the Conservative party which are willing to throw away the regulation and protection which the arrangement provides.

Mr. Fallon *rose*——

Mr. Smith: I have given way to the hon. Gentleman previously and it is not reasonable to expect me to give way to him again.

I have been drawing attention to the difference between theory and practice. That is bad enough, but when it comes to the argument about the MFA an illusion is added. Those who argue that the choice is between the MFA and free trade do not live in the real world. If the arrangement were to be discontinued or, which is more probably the prospect, become so weak as to be an ineffective influence, we would be more likely to set in train a series of beggar-thy-neighbour trade sanctions than to establish free trade. Such sanctions would do enormous harm to textiles and clothing and the damage would extend across a much wider trading front. The rules of the GATT in the absence of an effective MFA are not adequate to ensure conditions of free trade in textiles and clothing.

If the MFA were to be abandoned or rendered ineffective, it is virtually certain that the United States would act unilaterally to introduce import restraints. About eight months ago, the United States Administration introduced a new series of rules of origin, which reflect its present tough disposition. We know of the intense pressure which currently exists upon and from Congress. The United States would act either under its domestic legislation or would take unilateral recourse to article 19 of GATT. Whichever course were followed by the United States, the EEC countries would in turn face the import consequences of abandoning the MFA, which would be serious enough, and an additional flood of imports diverted from the United States. I doubt that even the most theological of the free traders whom I am observing could stand idly by in the face of such a development.

If the United States were to act under article 19, the effect would be even worse. The difficulty of this article, which I think Professor Silberston, who rather blithely advocates its use, fails to understand, is that it cannot be used selectively. It has to be universal in its application. Therefore, a very wide restriction has to be imposed. Article 19 confers also the right of retaliation by way of compensation, which could be in any area of trade, so the danger of trade interruption spreading beyond textiles and clothing is very real.

If there were no MFA, the poorest of the EEC's 130 supplying countries would suffer. The MFA provides them with a guaranteed level of access to the EEC market. In the absence of the MFA, it is likely that they could not

[Mr. Smith]

compete with the commercial power of newly industrialised countries such as Hong Kong and South Korea, or with the huge potential of China.

We must be realistic about the existing trade barriers. True free trade cannot exist while so many countries block our exports to them with high barriers, both tariff and non-tariff. With the exception of Hong Kong and Macao, which are tariff-free, and Singapore, which is largely tariff-free, we face very high tariffs in both the developing and the developed world. Brazil has a tariff of 200 per cent. In the developed world, considerable restrictions are imposed by Australia, New Zealand, South Africa and, in some areas, by the United States.

Let us not waste our time in the heights of the theory of international trade. Let us come down to the dusty plains of the real world and deal with the real relationship, the real prospects and the real gains and losses. We did not hear much about those from the Minister.

The Silberston report concluded that the MFA should be phased out after being renewed one last time. That seems to be the drift of the Government's thinking. We believe that that conclusion is unsound and wrong headed and that there are such serious errors and omissions and wrongly based assumptions in the report that it will not do as a basis for judgment. For example, in a document that has been given such attention, the misunderstanding of the effect of article 19 of GATT is one that I find surprising. The lack of selectivity in action under article 19 makes it hopelessly ineffective and potentially dangerous.

The report bases its views on prices entirely on evidence from Hong Kong, although no reason is given why evidence should be so restricted. Hong Kong is not an average situation because of the pressure on quotas, and the effect of the MFA on prices is at its highest in respect of imports from Hong Kong. It should not be used as a basis for generalisation, as is done in the report.

It is misleading to believe that a reduction in landed prices will reach across to a similar reduction in retail prices, given the large mark-ups involved and the undoubted propensity of retailers to pitch prices at what the market will pay. Conclusions on prices do not appear to be based on a sound analysis of fact.

On unemployment—which, if anything, is a more serious matter—the report concedes that abandoning or weakening the MFA will affect jobs adversely, although three different estimates are given—one of 10,000 jobs, which is absurd; one of 48,000 jobs, which is nearer the mark; and the third of an unspecified number.

Sir John Farr (Harborough): I draw the right hon. and learned Gentleman's attention to a document that he may have missed, which is the report of the Manpower Services Commission entitled "Labour Market Trends Midland Region 1985-1987". It is quite a long report, and has one critical paragraph summarising the views of the MSC on the MFA. It refers to it as a structure for permitting certain regulated imports from Third world countries, and says that, in view of the tremendous efforts that have been made by our textiles and clothing firms in the midlands to modernise their production methods to become competitive, a lack of renewal of the MFA would be a disaster. I thought that that might help the hon. Gentleman in deploying his argument.

Mr. Smith: I am glad to find that there are some realists on the Conservative Benches. I hope that the hon. Gentleman will speak to some of his hon. Friends. I seek not to cause division among Conservative Members, but merely to spread the enlightenment that has obviously reached the hon. Gentleman, and of which some of his hon. Friends are in need.

The hon. Gentleman drew our attention to the real world. Those engaged either in running the industries or in working in them take that realistic and sober view of the prospects of the industry and the need to cater for its interests in the negotiations. The Silberston report did not give due weight to that, and insufficient weight was also given to the drastic effect on employment and confidence in the industry if its profitability were to be sharply affected by changes in the MFA. The true job loss is more likely to be about 100,000, and I hope that all sides agree that that is plainly unacceptable.

In the assessment of employment prospects both within and without the textile and clothing industries, the report places too much emphasis on theoretical arguments and assumptions. I would not place so much emphasis on the effect of changes in the exchange rate. Important and direct factors, such as currency movements and interest rates, affect the exchange rate, which, as we know, has varied widely and erratically in recent years, very much to the detriment of these industries.

We should be extremely careful not to assume that if we were to lose industrial interest in one area we could recoup it easily in another. Apart from the fact that it is cold comfort to those who go out of business or who lose their employment, recent experience shows that ground lost is not easily regained as the relentless decline in manufacturing industry continues. The removal of the MFA or its serious weakening would cause serious job losses. Hypothetical countergains in other areas would be extremely uncertain given, among other things, the general trend of Government policy towards manufacturing industry.

We seek a renewal of the MFA. The crucial question is, what will MFA4 be like? What should be sought? I hope that the Government will not listen to those who argue that this should be the last MFA. If it is believed that this is the last agreement and that the Government give credence—as I believe they are near doing—to that proposition, that will be bound to undermine the status of the agreement and to render it terminal in character. The loss of confidence that could flow from that would affect long-term investment, which is badly needed in the industry, and could have a dramatically adverse effect. The way to counter that problem is not to consider ending the MFA, but to argue as vigorously as possible, both within the EEC and GATT, the case for renewing the MFA for 10 years, with a break after five years.

A serious attempt should be made to improve upon the inadequacies of earlier versions of the MFA. I fully understand that the Government are only one of the parties to the negotiation. We are asking them, as previous Governments were asked, to do their best to eradicate some of the difficulties.

In recent years, supplier countries have been permitted substantial increases in quotas, despite the poor growth of consumer demand. Under the bilaterals negotiated in 1982, increases of 4·5 per cent. per annum were agreed.

Given the likely estimate of demand, especially if present economic policies continue, high quotas will pose serious problems.

We agree with the TUC's submission to the Government that the quotas should be based on 1985 actual import levels. The quota growth should be related to consumption growth, although there should be higher growth for the less developed countries. That could be more easily achieved if quotas were re-based on the actual levels of existing imports.

Mr. Tim Eggar (Enfield, North) *rose*——

Mr. Smith: An important part of the negotiations should be to seek ways of increasing the access of the less developed countries. There is a strong case for coming back on the quota levels——

Mr. Eggar *rose*——

Mr. Smith: We believe that——

Mr. Eggar *rose*——

Mr. Deputy Speaker: Order. The right hon. and learned Gentleman is not giving way. Many hon. Members are waiting to speak.

Mr. Smith: I am not disposed to give way to the hon. Member for Enfield, North (Mr. Eggar), who interrupts in such an arrogant manner. He is a little——

Mr. Eggar: On a point of order, Mr. Deputy Speaker. We have had a fair and open debate and my right hon. Friend the Minister gave way on a number of occasions. I should have thought that the right hon. and learned Member for Monklands, East (Mr. Smith) would give way more than he has.

Mr. Deputy Speaker: It is up to the right hon. and learned Gentleman to decide whether to give way. I shall take account of interventions in making judgments about who should take part in the debate.

Mr. Smith: We believe that there should be more room —as I said before I was partially interrupted— for the less developed countries to get better access to our markets.

There are a number of more technical matters which must be taken into account by the Government. The anti-search mechanism, which has not worked successfully, would not be necessary if quotas were re-based. If, however, that is not achieved, the mechanism would have to be retained but should be strengthened and made more effective.

Similarly, if the basket extractor mechanism was strengthened—it, too, has been the subject of justified criticism, despite improvements that were thought to have been made in the last round of negotiations—it would be possible to reduce the number of quotas.

I was a little alarmed at what the Minister said about reducing some quotas and increasing others without clearly indicating which quotas he had in mind. It is one thing to take a negotiating position, but he should be more frank with the industry if his purpose is to assist it to face the difficulties. I hope that the doors of the Department of Trade and Industry will be opened to more frank discussions with the industry while the Minister prepares for, and even during, the negotiations.

Mr. Channon: I have never yet refused anyone who wishes to come to me about these matters. Throughout the negotiations I shall be only too delighted to see representatives of the industry.

Mr. Smith: I do not doubt that the Minister is willing to see the representatives. I am asking him to listen to what they have to say. I am familiar with the ministerial technique of listening to delegations. As the right hon. Gentleman knows — and this can be said of Governments of all colours—access does not necessarily lead to comprehension or action. I am asking the Minister to listen carefully and patiently because these are important matters. The industry would have more confidence in the Minister's advocacy if it felt that it was being listened to in an attentive and understanding manner.

It should also be the Government's objective to bring the Mediterranean suppliers, who enjoy preferential status, more into line with the low-cost suppliers. The Minister mentioned the accession of Spain and Portugal. We believe that measures should be introduced to ensure an even spread of Spanish and Portuguese exports of textiles and clothing to other member states.

During negotiations, the Government should seek a reduction of the tariffs against our goods imposed by some supplier countries that are clearly successful economies. It is difficult to describe them as developing countries. The Minister suggested that that might be one of the Government's objectives.

I hope that the Government will also support the TUC's argument that a new article of social development should be written into the MFA. After all, article 1 of the arrangement states that its principal aim is to further the political and social development of developing countries. There are undoubtedly many cases of labour exploitation in supplier countries and the MFA should provide a stimulus for improvement by requiring minimum standards to be met.

Any agreement needs to be enforced effectively, which has not always happened. That has not always been the fault of the British Government, but improvements need to be made to the capacity of United Kingdom and EC authorities to monitor and ensure the implementation of what is agreed.

On behalf of the Opposition, I state our scepticism about the value of outward processing and our objection to any special quotas being established for outward-processed goods.

If the Government are to carry out their obligations, they will have to negotiate with determination and conviction. I did not get the impression that the Minister is approaching the matter with sufficient determination or with conviction about the efficacy and usefulness of the MFA. I wish that I could feel more convinced that the Government will negotiate with conviction.

We know that the United States will approach the negotiations with a determination to achieve a robust agreement that safeguards its interests. We know also that in the preliminary assessments within the EC the United Kingdom has veered more towards countries such as Germany, which are less enthusiastic about the MFA— some are frankly against it—and away from France and Italy, which take a different view. The role of the United Kingdom is important and I hope that the Government will not see their role as that of tipping the EC against a new, strong MFA.

[Mr. Smith]

The Government have important obligations to the people of this country. If those obligations are neglected, great perils will face our important industries. I hope that the Government will be determined to secure, as best they can, the economic prosperity of our industries and of those who depend on them and to seek a better deal for least-developed countries. Above all, they should seek an agreement that will work effectively and fairly and provide a long-term basis of order and opportunity, which is essential for these crucial industries.

We shall watch the discussions with great care, and the Minister will be required to answer questions from time to time about the progress of the negotiations. However, before they start, the House must make it crystal clear to the Minister that important interests are at stake and that we expect the Government to pursue them with much more conviction than has been apparent up to now.

5.33 pm

Mr. Marcus Fox (Shipley): My right hon. Friend the Minister for Trade should ignore the less than generous remarks of the right hon. and learned Member for Monklands, East (Mr. Smith). Conservative Members with textile interests in their constituencies are delighted that my right hon. Friend has announced the renewal of the MFA. Hon. Members who have no textile interests in their constituencies are entitled to their view, but if they differ from me I shall await their speeches with interest.

The MFA has brought stability to the textile and clothing industries. Without it, the industries would have been decimated. When I became an hon. Member in 1970, the textile industry was the largest employer in Shipley. Today, it is nowhere near that. However, after years when there was only bad news, we see a different story, with sales of £10,000 million and exports of £2,700 million, which gives me great encouragement. Productivity is rising relatively faster than that in other industries. Huge investment has taken place and the companies are innovative and are more conscious of marketing and design. They are earning profits, most of which go back into those companies. Surviving firms have fought back to win orders at home and abroad.

I know the argument that protection is bad because it leads to feather bedding and slothfulness. However, that has not happened in the textile industry, as can be shown by the fact that the clothing component of the retail prices index has gone up more slowly than other items, and certainly at nothing like the rate of inflation. In addition, the public have not been held to ransom by restrictions on imports.

I do not believe that developing countries have suffered anything like as much as some people try to make out. Again, that is proved by the figures. The GATT study of 1984, covering the years from 1955 to 1982, showed that developing countries increased their share of world textile trade from 15 to 30 per cent., while the share of developed countries fell from 79 to 60 per cent. In clothing, the developing countries did even better. Their share increased from 10 per cent. to 48 per cent. No one can claim that, whatever restrictions have been placed on those countries, they have not had at least some opportunities.

We should also remember that under the MFA the quota allowance has increased by about 5 per cent. a year. My figures are different from those of the right hon. and learned Member for Monklands, East. I am told that over the past six years the market has increased by 2·5 per cent., yet imports affected by quotas have increased by 16 per cent. Any reduction has not come from other countries. If there has been a fall, it has been within our industries.

Talk of "total freedom" in this area is nonsense. It would certainly be free, but it would not be fair. There would be dumping on an unprecedented scale and I have no doubt that the United States, which has already started to take unilateral action, would take even more such action. The surpluses would not go back whence they came; they would be dumped in Europe. Low-cost countries would not hesitate to do that.

Too much attention should not be paid to the Silberston report. Professor Silberston is well known for his views on liberalising trade. Perhaps those views are the reason why he was appointed.

A major criticism of the report is the fact that the terms of reference mention barriers to our exports, but the subject was dealt with in only a few short paragraphs, as if it were of no importance. In addition, it is unbelievable that Professor Silberston should dismiss the consequences of unemployment. He seems to forget that the textile industry is concentrated in a few areas. He talked about 2 per cent. unemployment as if it did not matter, but there are no other jobs in those areas. If 50,000 or 100,000 jobs were lost, people could not find work elsewhere.

Professor Silberston claimed that a reduction of 5 per cent. in import prices would lead to shopkeepers reducing their prices by the same amount, so that customers would benefit. I find that hard to believe.—*[Interruption.]* I am delighted that Opposition Members are on my side, for once.

To demonstrate that these are not my own views, let me quote a letter from the managing director of a company employing more than 600 people in manufacturing. He writes:

"we cannot compete with the unfair competition from the political pricing countries of the Comecom or the low cost, highly subsidised, poor working conditions in the Far East . . . At the present time my own company imports very little, mainly components or machinery, and we are proud to be able to say that we use in excess of 95 per cent. British outer fabric for our clothing. If the MFA is not renewed we shall certainly have to review our policy as the last bastion of concentrating primarily on British materials and manufacturing."

I believe that that is the true position. By his action today the Minister has shown that the Government care about our textile and clothing industries. There have been occasions when they have been accused of thinking that the textile industry was expendable and that only the high-tech, sunrise industries held the key to the future. We can already see the results of that policy. Many of these so-called high fliers are already in deep trouble. I am very glad to say that the Minister has shown by his speech that the Government care about the textile and clothing industries, and so they should.

It would be a kick in the teeth for the industries if this renewal had not been promised. A loyal, hard-working work force, good management and, dare I say, shareholders who deserve a return, to say nothing of the country, will be better served by the renewal than they will be without it.

5.42 pm

Mr. J. D. Concannon (Mansfield): Today, I am sure that we shall find a great deal of unanimity across the Floor

of the House. Those of us who have many constituents working in the clothing and textile industries will be making sure that our point of view is put forward.

It is understandable that so many right hon. and hon. Members want to advance their constituency cases. However, it is incumbent upon us all not to wait for the 6 o'clock rule to come into operation. In my view, we should all keep our speeches as brief as possible. We have had good examples from the Minister and from my right hon. and learned Friend the Member for Monklands, East (Mr. Smith). The Minister said that he accepted that the MFA should continue and that he would be working hard for that. That has made my task of trying to restrict my speech to 10 minutes that much easier.

If the Minister had not put forward that view, I hate to think what might have happened to employment in my constituency. No one should be surprised that my name and those of my hon. Friends the Members for Ashfield (Mr. Haynes) and for Bassetlaw (Mr. Ashton) appear in the top six of the list of names appended to an early-day motion about the MFA. We represent major industry constituencies. Hon. Members of long standing know that we usually talk about our coal mining industry and the effect of that on our constituencies. However, that major industry causes an imbalance in the area, because there are not many females working in the coal mining industry. Over the years, that imbalance has been absorbed by the lighter industries which are the subject of today's debate. In our area they employ thousands of our wives and daughters. Over the years, in the northern end of Nottinghamshire, we have become familiar with such companies as Pretty Polly, Courtauld and Mansfield Hosiery Mills. All the household names are to be found in our region.

I was glad to hear the Minister acknowledge the importance of the MFA. It is extremely important to the thousands of our women folk who are employed in the industries, and they would have been disappointed if any other answer had come from the Minister. What is more, the words of my right hon. and learned Friend the Member for Monklands, East will go down very well with the vast majority of the work force in Mansfield.

Not only have the industries been beset by unfair competition and dumping, but they have been beset by the impact of modern technology. Modern technology has seen the upgrading of factories and equipment and the closing of some of the old mills, which none of us regretted. But others have advanced with the times. Companies have put a lot of capital into their factories, only to be met with cheap imports. They might have been cheap imports in the eyes of the public, but they could have been very damaging to the nation.

A few years ago I was invited to one of the mills in my constituency where I saw row upon row of new machinery costing hundreds of thousands of pounds. The machines were not even working, having only just been installed. The intention was to make what is now the old-fashioned silk stocking, which was very fashionable in those days — many a tale can be told about them. The manager spent a couple of hours showing me round the factory, telling me about the massive investment and how well he would do in the new market. After giving me two hours' good talking to about the massive investment, he said, "We have just done this, Don, and some Italian so and so has invented tights and flooded the market with them." He is still trying to sell that machinery for any price that he can get.

With so many right hon. and hon. Members wanting to put forward their constituency interests, we must impress upon the Government the importance to our areas of the MFA. It is not perfect by any means, and there is no doubt that it demonstrates an element of protectionism, but it is necessary to protect our jobs from some of the unfair competition from overseas.

My hon. Friend the Member for Ashfield holds an important position on the all-party committee which tries to look after the interests of the industries. He has done a lot of work over the years. I represent the constituency next door to his, and I thank him on behalf of all those who work in the industries in my area.

This is a very important issue. I hope that the Minister will listen carefully to right hon. and hon. Members for whom the MFA is so important. I feel that the only hon. Members likely to speak against what the Minister and my right hon. and learned Friend the Member for Monklands, East said are those in whose constituencies these industries are not represented. I shall be very interested to hear their arguments.

The feeling in my constituency has always been that it is we who play the game of cricket, whereas the others bend and break the rules as they see fit. It is time for the Minister to take off the gloves and make sure that he goes into battle on behalf of the many thousands in our constituencies to whom the MFA represents some kind of future for their jobs and for the industry.

5.49 pm

Mr. Nicholas Winterton (Macclesfield): I am grateful to you, Mr. Deputy Speaker, for calling me early in the debate. It is a very important debate which is vital to many regions of the United Kingdom.

We are debating the future of what has become known as the multi-fibre arrangement. We are not simply discussing whether one specific measure should continue to attract the commitment of our Government in their negotiations with our trading partners and competitors. We are discussing the future of the United Kingdom textile and clothing industry. As the right hon. and learned Member for Monklands, East (Mr. Smith) said, it is an industry which employs nearly 500,000 workers. That is without the tail — those industries, serving the textile and clothing industries, which account perhaps for a further 150,000 to 200,000 workers. We heard that those industries realised annual sales of almost £11,000 million, and a value added of £3,900 million. Those figures are larger than for the motor vehicle manufacturing industry, and more than half as large again as those for the aerospace industry. I add—with my hon. Friend the Member for Hertford and Stortford (Mr. Wells) particularly in mind — that those figures are twice as large as those for computers and office machinery.

The textile industry is a traditional industry in the United Kingdom and has played a valuable part in wealth creation and the provision of employment. It has stood the test of time in producing the jobs and wealth on which the nation has been founded.

In itself, the MFA is indeed a controversial policy, and numerous studies and commentaries have been produced by those who question its value and would rather see the unrestricted market of a free trade ideal, whatever that

[Mr. Nicholas Winterton]

might be. But in the course of our deliberations we must not lose track of the fact that we are talking today about people. We are talking about 500,000 or more people employed in the textile and clothing manufacturing industries. We are talking about their families. We are talking about the firms which supply those industries with textile machinery, factories, and so on. We are talking of the building and construction industry, the energy industries, and of those who supply the textile and clothing industries with transport and many other services.

We are talking about the devastating effect upon people who have spent their entire working lives in the industry that would have followed a failure to reintroduce a robust MFA. We are also talking of industries which were never able to look to Government for the sort of support or material rewards which have been showered upon the workers in other manufacturing and extraction industries. I do not think that I need to outline those industries to the Ministers on the Front Bench.

We are talking about the future of an industry that is vital to the United Kingdom and is its fourth largest employer. It is one of our nation's most valuable resources. We are talking of whole communities and the way of life which has evolved within them. Coming from the north-west, I am proud to have associated myself with those industries from the very day that I set foot in the House of Commons. They have had a just cause for which hon. Members on both sides of the House, under successive Governments, have struggled for many years.

We are not talking about the sections of an industry which has become unprofitable. We are not talking about an industry which is uneconomic. I say to my hon. Friends who apparently represent the consumer lobby that we are not talking about an industry for whose products there is no longer a demand. We are certainly not talking about an industry which has received massive Government investment; in fact, the opposite is true on all counts, especially the last.

As we have heard, since 1980 productivity in the textile and clothing industry has risen by a magnificent 30 per cent. — a much faster rate than in manufacturing industry as a whole. Demand for clothing and textile products rose by 4 per cent. in 1984, and the longer-term trend still indicates an expected annual rise of about 1 per cent. Yet, despite those superb achievements and the existence of the MFA, imports of clothing and textiles are at record levels. This is a fact, and I hope that my Back-Bench hon. Friends, the consumer lobby addicts, will accept it. I hope that they will appreciate the vital importance of the industry to various regions—a point that was highlighted by my hon. Friend the Member for Shipley (Mr. Fox). Despite those superb achievements, clothing imports into Britain are running at record levels.

The textile and clothing industry is one of the largest exporting sectors of our economy. As my hon. Friend the Member for Shipley said, the figure last year was £2,700 million. Although that was an increase on the previous year's figure, it is still much lower than could be achieved if our exports were not subject to the excessively punitive restrictions imposed by countries whose protectionist policies attempt to exclude United Kingdom products altogether. I pay tribute to the right hon. and learned Member for Monklands, East for making that point.

Mr. Richard Wainwright (Colne Valley): Does the hon. Gentleman agree that the low figures for textile exports in the 1980s owe far more to the grossly overvalued pound sterling than to any difficulties with certain markets abroad? Is there not a chance now, with a much more realistic value of sterling vis-a-vis the dollar, that textile exports will continue to improve, as they are doing?

Mr. Winterton: I share the optimism of the hon. Gentleman, who speaks for the Liberal party. But in respect of the MFA and its importance, I am sure that he will regret the speech that one of his colleagues—if he catches Mr. Speaker's eye—is likely to make. I would prefer to go by the information that is submitted to me, virtually unanimously, by the industry, and by the work force, through the papers submitted to the TUC.

I agree that much of what goes on in the industry can be affected by Government policy. Interest rates, the rate of inflation and currency values are all vital. I respect the hon. Gentleman's experience in the industry, but, if he takes a rather different line from the one he has taken previously, no doubt voters throughout the country will take note of it. I believe that the MFA is vital, and the industry and its work force believe so. The British Textile Confederation should know what is good for the future of the industry. I see its members and have discussions with them. I have come to the conclusion that they are right and that a robust MFA is absolutely vital.

The question of the severe restrictions which other countries place on our exports is important and must be borne in mind when considering the future of the MFA. We have heard much about the prospect of free trade. Desirable though it may be, it cannot be realised while many of our competitors around the world block our exports—which in quality terms are often world beaters — with crippling tariff and non-tariff barriers; none more so, perhaps, than Japan, which has featured in criticism by the Prime Minister and the Secretary of State for Trade and Industry.

With the exception of Hong Kong and Macao, which are tariff-free, and Singapore, which is largely tariff-free, our exports face severe high tariffs in many parts of the world. That applies not only to developing countries but to developed countries such as Australia, New Zealand, South Africa, and even that epitome of private enterprise the United States of America. So long as those and other distortions of trade exist, the need for the MFA will continue.

There have been many false claims circulated about the effect of the MFA, and I am sure that other hon. Members will touch on those issues during the debate. I wish to comment on the fallacy that the MFA has simply brought about a diversion of trade. Contrary to such claims, a detailed study of trade flows in textiles and clothing between 1978 and 1984, on a category-by-category basis, reveals no—I do not say some—justification for the claim that is often made, that the MFA quotas have been responsible for diverting trade and increasing imports from non-MFA suppliers.

The reasons why imports from non-MFA suppliers have grown rapidly are overwhelmingly due to factors other than controls on MFA suppliers. Therefore, it is the United Kingdom's clothing and textile industries that would be most severely affected by the relaxation or termination of the MFA.

The use of aggregated data does indeed suggest, at first glance, that quotas on suppliers controlled under the MFA have led to a diversion of trade on a huge scale, to the benefit of other supplying countries. The proposition, based upon such aggregated data, has been made that the MFA has been of limited value to the United Kingdom and to our textile and clothing industries, and has benefited United Kingdom suppliers in other developed countries, particularly in other member states of the EEC. Certainly a study of the aggregated data reveals a growth of only 23 per cent. from MFA suppliers compared with a staggering 73 per cent. in imports from our so-called European partners.

A more detailed study—this is where Silberston let us down—reveals that this is not a simple diversion of trade. Such a consideration leads inescapably to the conclusion that the reasons why imports from non-MFA suppliers have grown so rapidly are overwhelmingly based on factors other than controls on MFA suppliers. Professor Silberston utterly failed to give the issue such detailed consideration. In his abysmal failure to do so, he produced two highly questionable hypotheses. First, he suggested that simply because the MFA has coincided with a period during which imports from non-MFA suppliers have risen faster than those from MFA countries, the MFA must have been the main cause. He suggests a causal relationship with no evidence to back up his claim.

Secondly, Silberston claimed that, because there has been a particular development or trend in the import pattern for textiles, the same trend can be directly extrapolated into the future. We all appreciate the value of historical evidence in formulating policies and anticipating market direction, but it cannot, in a complex market environment, be accorded such infallible status.

Let us glance briefly at the changes in volume of imports from MFA and non-MFA sources. To take one example, total imports of men's suits have risen from 2·1 million in 1978 to 2·9 million in 1984. It is certainly true that there was an increase of more than 30 per cent. in such imports from EEC countries. However, that must be set in the context of the overall increase in the volume of such imports. There was an overall rise of 38 per cent., with increases of 27 per cent. from low-cost non-preferential suppliers and of a staggering 200 per cent. from low-cost Mediterranean suppliers. In short, imports from low-cost sources have risen faster than those from what we should call the EC, and few MFA quotas for men's suits are in fact fully used at present. The only logical conclusion, if the figures are studied, is that no diversion of trade has occurred because of the MFA.

It is important to note that over half the total rise of 107,000 tonnes in textile imports from the Community between 1978 and 1984 was accounted for by rises in just three categories—filament synthetic yarn, carpets and non-woven goods—in which MFA suppliers were only of marginal significance, with virtually no quotas. Without any question of trade diversion, there was an increase of 106 per cent. in the volume of imports in those categories. A further 54,000 tonnes of the increase in imports from the EEC was in categories in which MFA suppliers are of comparatively minor significance and for which MFA quotas are relatively few and substantially under-used, such as cotton yarn, dyed and printed fabrics, spun synthetic yarn, pile and wool fabric.

No doubt my right hon. Friend will say that adjustments and amendments can be made to the current quotas under the MFA. In these categories in which there is little scope for diversion of trade as a result of the MFA, the increase in European imports was still 57 per cent. The remaining 43,000 tonnes import increase from the EEC includes products heavily subject to the MFA.

Without doubt, the fact that imports from MFA suppliers have risen more slowly between 1978 and 1984 than those from non-MFA suppliers is only marginally attributable to the MFA. Detailed study of the evidence should have been accompanied by consideration of background developments such as the progressive integration of the United Kingdom into the EEC trading framework, the fluctuations of the United Kingdom's exchange rate, the recent trend towards increasing design and fashion content, the state aid available to our competitors in Europe, and the World Bank assistance that increases the competitiveness of industries in those countries. Such detailed study was glaringly lacking in Professor Silberston's report, and it points to numerous other factors being responsible.

Products by MFA countries show especially high growth rates from non-MFA countries, but since the MFA is not the major reason for the sharp rise in imports from non-MFA suppliers there is no reason for the Government to believe that the brunt of relaxation of the MFA would be borne by overseas supplying countries rather than by the United Kingdom. As I have said many times, I for one am not prepared to accept the devastating blow to our industry that a relaxation of the MFA would undoubtedly bring about. I trust that the Government will not abrogate their responsibility to act in the national interest, and to stand up for the interests of more than 500,000 people who work in our clothing and textile industries.

We have heard that the MFA is to be renewed. I hope that the Government will take a robust position and that the agreement, which has been good for the developing world as well as for the United Kingdom, will have the support of the Government. I hope that they will go to Brussels for the discussions with a positive policy as well as, I believe, with the overwhelming support of the House.

6.6 pm

Mr. James Lamond (Oldham, Central and Royton): The secretary of the Oldham and Rochdale textile employers' association wrote to me the other day to remind me — I needed little reminding — of the continuing importance of the textile industry to Oldham.

Oldham was built on the textile industry and upon spinning in particular. For perhaps five decades the industry has been in sad decline, but even today there are 106 textile and clothing units in Oldham and 142 in Rochdale. Many of the firms are small, but there is a substantial number of large employers. In total, the firms account for about 25 per cent. of employment in manufacturing industry in Oldham. Oldham is a town of 250,000 people, and 25 per cent. of those who are employed in manufacturing industry work in textiles and clothing. There is a real interest in my constituency in the future of the MFA.

The negotiations are now getting under way and we hope that they will come to fruition in perhaps 18 months. The negotiations are complex and difficult to follow. However, it is important that we should realise that the MFA is not merely a restrictive arrangement of benefit to the United Kingdom. I listened to the Minister's speech with interest, and I welcome his assurance that we are

[Mr. James Lamond]

determined to have a new MFA, but I thought that he was rather defensive. He seemed to suggest that we were doing no more than defending our interests. I do not believe that that is so.

The MFA is not an arrangement to shut out the textiles and clothing of the main exporting nations of the Third world. It is an attempt—sometimes unsuccessful from our point of view—to regulate in an orderly fashion the opening up of the markets of the United Kingdom and other developed countries to textile and clothing imports.

No one who has studied the figures for import penetration or for the decline of employment in the textile and clothing industry would accept the allegation that the MFA is a device to restrict trade to the advantage of our own industry. Employment in the United Kingdom textile and clothing industry has declined from about 1 million to 500,0000 in 12 years. Import penetration of the United Kingdom market for textiles and clothing has risen steadily in the past 30 years. At one time it was less than 10 per cent. Now it may be three times that figure, and much worse in some sectors of the industry. Those who oppose renewal of the MFA, even in its present imperfect form, forget that we do not live in a perfect laboratory environment. There is no such thing as free trade. As the hon. Member for Macclesfield (Mr. Winterton) said, we have recently heard complaints in the Chamber about the Japanese Government's restrictions on imports and excessive assistance to Japanese firms. Those complaints refer to trade in general.

The tariffs on textile and clothing products operated by MFA supplier nations range from 128 per cent. in Pakistan to 22 per cent. in Malaysia. The tariff is 97 per cent. in Egypt, 60 per cent. in Thailand, 34 per cent. in South Korea, and in Spain, which is waiting for accession to the EEC, it is 30 per cent. The average EEC tariff is 11 per cent., and it has been reduced by more than one third in the past five years. There has been no equivalent reduction in the tariffs charged by supplier countries. I welcome the Minister's assurance that there will be some attempt to ensure reciprocal arrangements among those countries. Perhaps I might put in a word about Hong Kong, which has no tariffs or barriers against our goods. If we are to be generous in any respect, we should realise the efforts that Hong Kong has made.

The textile, clothing and footwear industries committee of the Trades Union Congress has produced an excellent booklet entitled "A Fair Balance in Textile and Clothing Trade", which I am sure the Minister has read, in which it says that it strongly believes that there should be another MFA lasting 10 years, perhaps with a review after five years. That is important as it would give the industry some stability. The booklet also sets out many desirable improvements. I do not intend to list them because my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) mentioned many of them. However, three of the suggestions are in the finest tradition of trade unionism. I refer to the fine tradition of unions associated with the textile industry.

In my maiden speech I said with pride that textile workers had stood side by side with those in the United States who were fighting to free slaves there. They refused to touch cotton imports from the southern states during the civil war because they supported the fight against slavery. They did so at considerable expense to themselves. Mahatma Gandhi visited Manchester at the height of the Indian boycott on cotton goods in the north-west. Rather unexpectedly, he was well received and cheered in the streets of Manchester by textile workers, although his action was to their detriment. They did that because of their compassion for people who were worse off than themselves.

The trade union movement has made similar statements in the booklet to which I have referred. It says that it wants a new MFA to give more favourable treatment to the least developed countries and that it wants to encourage improvements in the social development of all member states. It also wants to reduce the gross exploitation of labour in member countries. We have all seen films of young children employed in the textile industry in some of the countries that export to us. They are remembered in the trade union document.

Lest it is felt that I have concentrated solely on what the trade unions have to say, I should like to quote from the letter sent by Mr. John Longworth. He writes:

"All of us, unions and employers alike, are deeply concerned about the effects on employment if the MFA is not renewed on similar or better terms than the present Arrangement. There is no doubt that there would be a large increase in imports from countries such as Hong Kong and Korea, and especially from China, which is a major threat. At the same time it would be impossible to argue for voluntary restraint arrangements with countries like Turkey if the MFA restraints on other suppliers had been removed. Without doubt these increased imports would mean thousands of further job losses in Oldham and Rochdale.

You may possibly be wondering why we cannot meet this competition head on. The reason is quite simply that government aids and subsidies given to overseas industries coupled with the distortion caused by unrealistic exchange rates make free and fair trade an illusion. Furthermore the overseas industries frequently operate behind protective barriers giving them a firm and profitable base from which to support their exports."

Conditions overseas are not beyond the minds of trade unions. I hope that the Minister will bear that in mind.

6.16 pm

Mr. Ken Hargreaves (Hyndburn): Even if I had not been caught by the 10-minute rule, I would have been brief because it is important that as many hon. Members as possible should have the opportunity to take part in this debate, thereby reflecting the strength of feeling on both sides of the House. It is encouraging that so many hon. Members wish to take part and that so many signed the early-day motion to which my hon. Friend the Minister referred.

When I made my maiden speech 18 months ago, I urged the House never to forget that Britain had prospered through the skills and hard work of the people in the textile industry and said that the situation could be summed up by the old slogan, "Britain's bread hangs by Lancashire's thread." I went on to suggest that people in textile areas such as Hyndburn were proud and independent and would rather give help than receive it, but now they desperately needed that help. Consequently, in common with many other hon. Members, I am delighted to hear the Government's commitment to work for a renewal of the MFA. I hope that they will support renewal on the most effective terms possible. To do otherwise would be to increase the existing pressure on employment in areas that are already unemployment black spots. Anything less than the commitment to which I have referred will simply accentuate the economic and social problems of areas such as Hyndburn, caused by the decline in the textile industry for many years.

I support the renewal of the MFA not so much because of my constituency interest in textiles, which, alas, is now small, but because I have lived in a textile area all my life. I have seen at first hand the problems caused to ordinary working people by job losses in textiles. Mill towns such as Accrington were devastated. I would not want that to happen to other areas. It was tragic to see such skilled and hard-working people, who worked hard for relatively low wages, whose industrial relations record was second to none and who readily accepted the need to be competitive by agreeing to shift working, time studies, job flexibility and low pay increases—even in some cases reductions —thrown on the scrap heap. It was a bewildering experience for them. There were no £30,000 redundancy payments for them. Even if the MFA is renewed, it is, sadly, too late for the vast majority of textile workers in my constituency. Certainly it is too late for Messrs. Highams Ltd., a name synonymous with Accrington and textiles, which announced six weeks ago that it is closing with the loss of 300 jobs. The loss of such a well-established company is a severe blow to the morale of the area and a tragedy for the employees concerned.

Such closures add to the severe problems of unemployment and industrial dereliction in my constituency. Fortunately, because of the help of my hon. Friend the Parliamentary Under-Secretary of State for Trade and Industry, who played an important part in ensuring that a development grant application from the only remaining textile firm in my constituency was dealt with swiftly, 120 of the jobs were saved. Speed was essential, and without the Minister's intervention the jobs would have been lost. I wish to place on record my thanks to him. The right hon. and learned Member for Monklands, East (Mr. Smith) said that access to Ministers did not lead to comprehension and action. In this case he was wrong.

The textile industry and the fine people in it deserve our support. The industry has acted to improve its competitive position, productivity has risen by 22 per cent. since 1980, which is well above the average for manufacturing industry, investment is rising, even in the uncertain conditions which now prevail, increasing importance is being placed on design, and Enfield Manufacturing has succeeded because of the combination of all those factors and a determination to break into the often difficult export market.

The continued survival of such firms depends on the further improvement of their competitiveness in both home and overseas markets. The investment required in new technology will be achieved only if they have confidence in the future. Without the present system of low-cost import restraint, the prospect of reasonable stability would be removed and with it much of the confidence on which investment depends. That is why the renewal of the MFA is vital.

I support help being given to Third world countries —the world's poor—but it must come from the country as a whole. Indeed, it must also come from other countries, and not from one section of one country. I cannot say to the remaining textile workers in my constituency that they must accept an increased burden when workers in America, Japan and Australia are not prepared to do so. Far from being protectionist, the MFA has allowed EC imports to grow, even in a declining market. By providing guaranteed and growing access to developed markets, it has greatly assisted developing countries in advancing their export interests in an orderly trading environment.

If we were to abandon the MFA, it would lead to chaos, which would hurt everyone, not least the less developed countries. Without any such international agreement, political pressure would build up in each developed country to enact strong protectionist legislation. Such legislation would have serious and mainly negative implications for both textiles and world trade generally.

I recorded earlier my thanks to my hon. Friend the Minister for helping to save 120 jobs. That action shows that the Government care about the textile industry, and also their care and anxiety to renew the MFA. Clearly the British Government in isolation cannot have their way in the important discussions ahead, but we look to them to argue Britain's case forcefully. Anything less would fail the industry and those employed in it. I believe all that the Minister said and thank him for what he said when he opened the debate.

The Silberston report made many forecasts of what might happen if the MFA were rapidly phased out after 1986. Those hon. Members who live in and represent textile areas know what would happen, and we would not support it.

6.23 pm

Mr. Paddy Ashdown (Yeovil): There can be no doubt that the textile and clothing industry is one of the United Kingdom's greatest industries. There is no point in repeating the figures to point out that fact. There can be no doubt that the industry has made great strides in profitability, efficiency and modernisation, and all hon. Members must join with the Minister in paying tribute to it for that. There can be no doubt that the industry is centred around the present centres of unemployment. Unemployment is often highest where the clothing textile industry is situated. There can be no doubt that it would be folly, and, in the light of the present unemployment trends, dangerous folly, for the Government not to do all they can to create a climate and framework within which the industry can prosper. That must be common ground to us all.

We must consider whether an essential part of that framework is the multi-fibre arrangement. One may imagine that there is little else. Our capacity to assist our clothing and textile industry is woefully inadequate compared with that of the Belgians who put £90 million a year, which is equivalent to £500 million a year for an industry the size of ours, into the industry, or the Italians who provide, it is said, assistance worth £1,500 million a year.

The fact that for many people the MFA is the only instrument with which we can assist our industry accounts for some of the strength of the reactions to the debate whether it should be continued.

There are only two reasons for continuing the MFA: is it good for the industry, and is it right for trade? No one can want the MFA because he wants protectionism—at least I imagined that until I heard the speech of the right hon. and learned Member for Monklands, East (Mr. Smith). It is strange to hear from the mouths of a party which has such a proud tradition in internationalism, which professes to care greatly for the Third world, and

[Mr. Paddy Ashdown]

which says it wishes to ensure that the poor have reasonable access to cheaper goods, protectionism in that form and manner.

As a trading nation we depend on a free and fair system.

Mr. Tom Clarke (Monklands, West) *rose——*

Mr. Ashdown: I apologise to the hon. Gentleman. I recognise that I have said one or two things which will have annoyed him, but with only 10 minutes to speak I cannot afford to give way.

With the mood of protectionism rising, few people can want to put permanently in place a protectionist measure, such as the MFA, for longer than necessary. Is the MFA necessary? There are two parts to the question. First, is it necessary to the structure of world trade for stability; secondly, is it necessary for the industry itself?

The first question is easier to answer than the second. The MFA has provided a framework for stability during a period of great change. It would be wrong brutally and precipitately to dismantle it now as the period of adjustment is not yet complete. However, it is nearing completion. Allowing for transport costs, the West German industry, for example, would need only a 3 per cent. duty on yarn and a 12 per cent. duty on cloth to compete with the Korean industry. It is calculated that the United States industry needs no duty. The need for the MFA in world trading terms has diminished and is diminishing. I accept that it will be needed—but for how long?

What I do not accept is the view that the MFA has been a benevolent instrument for the less developed countries, especially the poorer less developed countries. Seventy per cent. of our net imports come from the Organisation for Economic Co-operation and Development, whereas under MFA 1 the figure was 65 per cent. The drift continues in the same direction. More than half of our net imports come from Common Market countries. The less developed countries', share of the market has fallen from 32 per cent. to 26 per cent. If it is so beneficial to less developed countries, why did 21 of the leading less developed countries in the MFA ask only last month for a return to a genuine multilateral form of trading?

Mr. Bryan Gould (Dagenham) *rose——*

Mr. Ashdown: The hon. Gentleman will make a full speech and no doubt he can make his points then.

I accept that the MFA has had a stabilising effect on world trade, and that it still has a role to play. However, that role is diminishing. The MFA was set up as a temporary structure, and I see no reason to change its temporary nature now.

Is it, therefore, necessary to the United Kingdom industry? That is the contentious question. Silberston said that it was not. I recognise that many hon. Gentlemen disagree with that. However, careful analysis and consideration of the criticisms will show that some of the criticisms are also ill-founded. I have considered Silberston's report and the criticisms of it, and I believe that he got it about right in general direction, if not in detail. We could pick holes in many of the details, but in general the thrust is about right. [HON. MEMBERS: "The hon. Gentleman knows nothing about it."] There are textile firms in my constituency, and not in insignificant number.

I agree that our textile and clothing industry needs support and a framework to help it in the struggle to adjust to difficult world trading conditions. I do not deny that the MFA has provided such assistance, although the assistance may have given too little weight to some consumer views. We must remember that the consumer, not the taxpayer, has paid for the MFA. There is an argument that the MFA is a hidden tax that falls most heavily on those who purchase cheap clothes or children's clothing. Be that as it may, I agree that the MFA has been useful in providing a framework to allow our textile and clothing industry to restructure itself, and that it will continue to have a similar role, albeit a diminishing one, in the immediate future.

However, I cannot accept the fact that the MFA must be enshrined as a permanent structure. We should renew it for a last term—MFA 4—roughly similar to that of MFA 3. The Government should seek a commitment, through the EC, that this will be the last renewal. The Minister may not wish to say that now, but a case could be made for it. Furthermore, as a commitment to a more liberal rather than a more restrictive MFA, we should investigate the possibility of exempting the poorest exporting countries from quota provisions. They occupy a tiny fraction of the textile markets, so such action would cost us little enough.

If we are to provide the support that this great industry needs, there must be better long-term ways of doing it than the MFA. As my right hon. Friend the Member for Plymouth, Devonport (Dr. Owen) said in June last year, we need a decent EC plan for textiles to consolidate and build on the great advances that have been made by the industry. By all means, let us renew the MFA for a final term, but let us also begin to draw up a proper and efficient system for assisting our textile industry—a system that will provide the support that is needed, where it is needed, rather than relying solely on a structure of import quotas, which cannot last for long and which, in any event, is an extremely inefficient way of assisting such a great and vital industry.

We have allowed ourselves to hide behind the MFA as an excuse for not making proper provision for the industry. The textile and clothing industry deserves better from us than being put in a position of relying on such a temporary measure. If the Government wish to do something of real importance for the industry, they should press our EC partners for a European plan for textiles rather than the indefinite retention of this essentially temporary structure for ever.

6.33 pm

Mr. Kenneth Carlisle (Lincoln): On the surface, this debate is about the multi-fibre arrangement and the textile and clothing industry, but in reality it goes much wider and touches on matters of great importance to the United Kingdom. We must decide whether we want free trade or protection, and I believe that, as a trading nation, we must take the course that expands our trade most.

Just as the debate goes wider than its title, so must hon. Members lift their sights above their narrow constituency interests. I sympathise with my hon. Friend the Member for Hyndburn (Mr. Hargreaves), who made a moving speech, but he, too, must lift his sights, as a Member of Parliament, to what is best in the long term for a trading nation.

Britain is a trading nation, and it exports a larger share of its output than does any other country. As a result, it

does better when world trade is buoyant than when it is weak—that is self-evident. Free trade undoubtedly helps trade to grow and generates wealth, whereas protection has always had the opposite effect. It reduces economic activity and increases poverty, and in this respect I am glad to be on the same side as the hon. Member for Yeovil (Mr. Ashdown). It is sad to hear the constant cries for protection from both sides of the House, and especially from the Labour party, because that would reduce prosperity and jobs.

Let us consider a practical example. I am always impressed by how much of what is manufactured in my constituency is exported. Ruston Gas Turbines, our biggest employer, exports more than 90 per cent. of what it makes. If one adds direct exports to the components that go elsewhere to be assembled into exports, most firms in Lincoln export 50 per cent. or more of their output, and I am sure that many other industrial centres have a similar record. Therefore, if we drift towards protection, barriers will be erected, markets will shrink, and jobs will be lost. It is folly to believe that demand at home or in the Common Market will take up that slack. In an earlier intervention, I gave the example of Indonesia in 1980, when our reactions lost us jobs at home. We must be under no illusion that protection which expands without ceasing would have that effect repeatedly.

Britain is right to fear a drift towards protection. With our Common Market partners, we must stem and reverse that tide. If we do not, we shall suffer. We must achieve our aim of having a new round of GATT talks. We must stop the growing lobby in the United States towards protection, and we must use all the levers we have and all the power of our market to get other countries to open their markets to our products, and to introduce true free and fair trade.

Those who advocate protection have much more to answer than the sole charge that protection reduces wealth. It also narrows choice for the consumer. It increases prices here, as competition is reduced and cheaper goods are kept out. It is estimated that the textiles which come in under quota protection cost the British consumer £500 million more than they would cost if there was free competition. That money is prevented from going elsewhere in the economy to generate its own wealth. In addition, the countries affected by the MFA send us more expensive goods to make the best use of their quotas. Therefore, in all ways, the poorer families in Britain suffer from the MFA, because they must spend more on textiles and clothing than they should.

The consumer has a right to be heard—we are all consumers—and his interests must not go by default. They must not be swallowed by narrow constituency interests.

Many people claim that we should do more to help Third world countries, but one of the best forms of help is to provide British markets for their products. The MFA restricts choice, increases prices and damages poorer countries. We stomach all this because we claim that we are buying time to change our textile industry so that it will compete fairly. But import quotas are a bad way to help the industry, and history proves that. In 1974, the MFA was introduced temporarily, but since then it has been extended twice, and now we hear cries that it should be extended for another 10 years. Protection never promotes the change that is needed; therefore, protection endures for ever.

There are better ways to help industry. I welcome the scheme started in March 1984 to help smaller firms to invest in new technology. If help is needed, let us go down that route, not the protection route. The main argument for the MFA has proved itself to be a delusion. Jobs will be created by creating a climate of more exports from Britain and of having cheaper goods for the British consumer to buy. We shall have greater spending power.

The practical lesson that we have learnt since 1974 is that once protection starts it is difficult to dismantle. I have two practical suggestions for new talks. First, we should use existing quotas as a lever to secure reductions in barriers against us in other markets. We must use the force and power of our markets to reduce barriers in Taiwan, South Korea, the United States and other markets. If we do this, we can relax barriers here. Secondly, we must analyse the strengths and weaknesses of the various sectors of the clothing and textile industries. The Silberston report sketches out a sensible timetable for the reduction of the MFA. It does not suggest doing this all in one go, and it tries to meet the practical situation.

I end as I began. As a trading nation we must allow our skill and efforts to stem the drift towards protection because that drift can only harm freedom of choice, prices, our ability to compete, our markets and hence jobs. For prosperity, future and the jobs of our people, we must turn the world back towards free trade and away from this ominous drift towards protectionism.

6.41 pm

Mr. Max Madden (Bradford, West): I declare an interest as a Member sponsored by the Transport and General Workers Union, of which the textile group represents many workers in the industries that we are discussing. Many of them are extremely low paid, and all of them, I remind the hon. Member for Lincoln (Mr. Carlisle), are consumers. Like my right hon. and learned Friend the Member for Monklands, East (Mr. Smith), I believe that it is sad that it has taken so long for this debate to take place. Because of the Government's equivocation and public uncertainty about whether they were committed to a renewal of the MFA, there has been considerable uncertainty in the industry and outside it. That has been damaging and the Government have only themselves to blame for the damage that they have done to the confidence in the British textile and clothing industries.

The Government have an opportunity to show—I am glad that they have done so to some extent in this debate — the importance of the British textile and clothing industries to our economy, to our manufacturing industry, to exports and, vitally, to employment. It is important that we should never overlook or understate the importance of the textile and clothing industries to employment. They are concentrated in areas that have already been ravaged by high unemployment.

Both sides of the textile and clothing industries support a renewed MFA, even though there are clear and divergent interests among those involved in the industries. It is an insult for those who oppose renewal of the MFA to attempt to dismiss those who support it as being entirely motivated by vested interest. It is equally insulting for them to misrepresent the aims of the MFA and its past and future impact, and to mislead or misrepresent its effect. The most important argument to address is the one that seeks to persuade us that ending the MFA in favour of free trade

[Mr. Max Madden]

and intensified competition serves all interests best—the textile and clothing industries, consumers and foreign textile suppliers—including the poorest.

It is clear that if the MFA were to end, or to be substantially weakened, the international textile and clothing industries would not find themselves in a pure free trade environment invigorated by fair competition. Britain, with all other textile suppliers, including the poorest, would find itself in a trade jungle, unregulated, subject to constant and major disruption, with the weak being even more exploited than they are now, or in some cases being snuffed out altogether. Pure free trade and unfettered competition would no longer exist.

The Minister pleaded with us to face the facts, and talked a lot about the 1930s. I wish that he had faced more facts about the world in 1985. Free trade is an obsolete concept in a world in which real economic power, including economic decisions that affect the daily lives of all of us, is wielded by a small group of giant multinational companies. In many cases their individual economic power, or sometimes their power in small groups, is greater than that of Governments of independent sovereign states. Multinationals rather than Governments now determine the location of investment, or its withdrawal, without giving a second thought to the social consequences.

Courtaulds has probably taken more taxpayers' money than many other companies of which I can think. It has recently announced the closure of two companies in Wales, with the redundancy of 1,100 workers. Rumours are circulating that the product that was made in Wales is now to be made in India through a joint venture between Courtaulds and the Indian Government. I support investment in the Third world, but I deplore, if it is true, the social irresponsibility of a company such as Courtaulds engaging in such a venture and throwing 1,100 people in a high unemployment area on the dole.

The profits earned by multinational companies are artificially manipulated to minimise tax payments, and profit or loss is determined by deliberate transfer pricing. Free trade is the fashionable belief among a dwindling band of Thatcherite Ministers, Whitehall mandarins, Adam Smith Institute pamphleteers and those dreaming of higher things at the Institute of Directors. Sadly, to judge from the speech of the hon. Member for Yeovil (Mr. Ashdown), there seem to be lingering supporters of Gladstone in the Liberal party. For the first time, we may be having a second speech from the Liberal party, but one of a different flavour. Perhaps in future we shall have not one member of the parliamentary Liberal party seeking to speak from the Opposition Dispatch Box, on behalf of his party, but two. Perhaps the Procedure Committee will take note of that.

Only this week we witnessed the economic and trading realities of the world in 1985. Our tender for the Turkish bridge was the lowest, and our bid matched or beat that of others bidding for the contract, but the Japanese won the order because they offered to subsidise the approach roads to the bridge. That is an ill reward for those senior Tories who have over years been apologists for the Turkish Government and sought to conceal or excuse their appalling record on human rights and their appalling deeds. We failed to get the contract despite the embarrassing behaviour of senior Tories.

Free trade offers the consumer little, and the poorest countries in the Third world even less. The poorest textile suppliers will survive and expand only if they can look to relative stability and assured access to markets, and have some confidence of a sustained demand to maintain their markets and open up and sustain new markets. Above all, we need increasing world demand, and that is why the Labour party is constantly urging economic expanion, because such things come only from economic expansion. The internationalism about which the hon. Member for Yeovil talked is meaningless unless there is a determined international effort to expand economic activity throughout the world and allow the poor countries to find new and larger markets for their products.

The MFA is all about trying to assist an orderly growth in trade and about our negotiating a planned growth in trade to the mutual benefit of all textile suppliers, especially the poorest. It is necessary to dispose of the myth, again fashionable among those who still cling to free trade notions, that British textiles are a sunset industry, locked into inevitable and terminal decline, and that the MFA might as well dwindle because it is merely postponing the inevitable death of the textile and clothing industries. That myth must be nailed. As many hon. Members representing textile constituencies have made clear in the debate, the Government need to provide more investment and support for the British textile and clothing industries. They must "talk up" these industries.

It must be emphasised that by any economic yardstick or any economic criteria our textile and clothing industries represent a most important part of the British economy. They employ 500,000 people, many of them women, large numbers of whom belong to the ethnic minorities. Much understandable importance has been placed upon that aspect. These industries represent a major part of Britain's shrinking manufacturing base. They are major British exporters. Their performance, not least in productivity growth, can be compared favourably with any other part of our manufacturing industry.

Unless the multi-fibre arrangement is strengthened, the loss of jobs within the industry will be intensified. Only last year 200 textile workers went on the dole queue every month. Most of these jobs will be lost in areas where there is already high unemployment — in Yorkshire, Humberside, the east Midlands, the north-west, Scotland and in some parts of the south-east. Many of those men and women are the only wage earners for their families. Already in some areas unemployment is as high as 60 per cent.

This is a valuable debate. I hope that the Government's indication that this industry's trade is being renewed will be followed up by a full-hearted and determined commitment. I am worried about some of the comments on transitional arrangements and about the hint that the MFA may be only a temporary measure. For the sake of the industry, of the men and women who depend upon that industry and of the world economic community, I hope that a strong and effective MFA will be negotiated. Anything less than that will be a gross betrayal of a British industry and of the men and women who have devoted their lives and energies to it.

6.52 pm

Mr. Gary Waller (Keighley): In the last Parliament there were several fairly gloomy debates, most of them initiated by the Opposition, on or related to textiles. This

is the first major debate on textiles in this Parliament. To some extent this reflects the more confident state of the industry—at least of the wool sector of the industry. Confidence, however, is relative. Today, the industry is very much leaner, albeit fitter, than it was and employs far fewer people, but its future remains extremely uncertain.

Some people, among whom I include my hon. Friend the Member for Lincoln (Mr. Carlisle), have portrayed the multi-fibre arrangement as a means of rigidly restricting textile and clothing imports. In fact, it is a framework for gradual liberalisation. This can be illustrated by pointing out that the present MFA — MFA3 — allows for an annual growth rate of imports of up to 6 per cent., which in the event has been very nearly four times the growth rate of clothing sales in this country over that period.

Free trade in goods and services must be the ideal, but we do not live in an ideal world. The reality is that many countries have erected barriers to trade which are far less liberal than our own. This factor applies to both developed and underdeveloped countries. The United States must come high on anybody's list of protectionist nations. United States tariffs on woven wool fabrics at 45 per cent. compare with the 13 per cent. tariff applied by the European Community. Australia, too, could hardly be counted in anybody's book as underdeveloped, yet its tariffs of between 70 and 100 per cent. on woven outerwear are ludicrously high, compared with that of 16 per cent. in the European Community.

Of the developed countries, Europe cannot be expected alone to accept responsibility for imports from low-cost countries. If we did, it would have disastrous results. The United States is a much more self-sufficient country than the United Kingdom, and a much smaller proportion of its gross national product is devoted to trade. Britain depends to a much greater extent than almost any other nation on trade. It is not in our interests that there should be increasing restrictions. The United States cannot be allowed indefinitely to use high tariff barriers as a means of protecting its own industry from exchange rates which are largely the result of its own economic policies. I hope that Her Majesty's Government will increasingly take a tough line with the American Administration.

The MFA is not, I believe, a restrictive measure but a way of allowing international trade to develop in an orderly way. It should also be a means of enabling trade to develop more liberally, but this is a two-way process. It depends just as much on those with whom we trade as ourselves. Reciprocity is the principle for which we should aim. When we negotiate the bilateral agreements a tough line should be taken with those countries which have made no effort whatsoever to open up their markets to exports from the European Community, but in no way can any guarantee be given that MFA 4 will be the final MFA. That depends upon others as well as ourselves.

If we were to give away our bargaining hand, as was suggested by the hon. Member for Yeovil (Mr. Ashdown), there would be little hope of persuading other more restrictive states to adopt freer policies. The hon. Gentleman said that Silberston had got it just about right. I presume that he was speaking as the official spokesman for the Liberal party. I challenge the hon. Member to come and say that on Liberal platforms in west Yorkshire, both now and in the future, and see what the result is.

Non-tariff barriers and other distortions of fair competition should also be considered when we conduct bilateral negotiations. Some Governments provide massive aid to their own industries. The social conditions of workers are often quite unacceptable, even allowing for the much lower standards which we would expect to prevail. These are factors which we cannot afford to ignore. Therefore, one would wish there to be in the new MFA a social clause which deals with such issues as working hours and conditions and guarantees against the exploitation of children.

We are entering upon a period of even greater changes in trade patterns than existed in the past. The expansion of Chinese exports in textiles is something of which our own industry is very fearful. If orderly trade development was needed before, it will be needed even more in the future.

It is often suggested that we should relax all barriers in order to aid the Third world, bearing in mind that many poor countries are better able to contemplate the development of a textile industry with the use of low technology than other enterprises which require much greater capital investment. However, without the existence of a framework for orderly trade development it is likely that the most underdeveloped countries will be squeezed out by those who already have a track record. The best hope for the most underdeveloped nations is the existence of reasonable quotas which give them a chance to have some access to the market.

Although we are discussing the renewal of the MFA, this must be viewed in the context in which it appears. In the past, several European Community member states gave various forms of financial assistance and other aid to their textile and clothing industries. One can point notably to members of the Community such as France, Belgium, Holland and Italy. All have extended massive aid to their textile industries. For years complaints were made about this by companies in this country, but the Community failed to act. When, at long last, the British Government proposed a relatively modest scheme, known as CLOFT, involving only £20 million, compared with the hundreds, if not thousands, of millions of pounds which had been extended to industries abroad, the competition policy of the Community was tightened up. It is of little comfort to companies in this country, which have had to face very unfair competition over a number of years, that schemes put forward by other countries will be subject in future to the most rigorous examination. In the meantime, many firms have disappeared and many jobs have been lost. The textile and clothing industries in Britain now look searchingly to the Government to protect their interests in the future and to ensure that genuinely fair competition prevails.

Today's statement by my right hon. Friend is encouraging as far as it goes. The wool textile industry, which is so important to the economy of west Yorkshire, will give one cheer tonight. It will give another cheer if a satisfactory MFA 4 is negotiated, and it will cheer even louder if the subsequent bilaterals are fair to all sides.

6.59 pm

Mr. Roy Beggs (Antrim, East): I cautiously welcome the Minister's statement that the multi-fibre arrangement will be renewed. I am not convinced that the Government have expressed a clear determination to put up a strong case during the negotiations. The importance of the MFA to Northern Ireland in particular can be demonstrated by a simple reference to my constituency of Antrim, East.

[Mr. Roy Beggs]

At present more than 20 per cent. of my constituents are unemployed. Despite what Professor Silberston says in his report, that high level of unemployment arose directly from the collapse of the synthetic fibre industry several years ago. It has not been possible to create new jobs for those constituents of mine who were formerly employed by Klingers in Larne and by the international companies such as ICI and Courtaulds. Those companies pulled out putting thousands of people on the dole and then made a cosmetic gesture in attempting to attract small businesses to those huge plants.

The MFA, which has been designed to control and restrain the growth of cheap imports into the United Kingdom, must be renewed and renewed in such terms that we do not precipitate futher decline in the textile industry. I believe sincerely that failure to renew the present arrangements would cripple the Northern Ireland textile industry and seriously damage employment opportunities in the textile, clothing and knitting industries in Britain. It could turn the United Kingdom, including Northern Ireland, into one big shop for cheap imports from the rest of the world and simply put our people into unemployment.

In 1984 the Northern Ireland economic council reported, and nothing really has changed since then, that:

"There are no measures to show exactly what effect cheap imports have had on local producers but it is clear that this has been an important factor in the decline of the industry over the past ten years. Furthermore, import penetration has been greatest in those products in which Northern Ireland industry has tended to specialise — carpets and the down-market end of fabric production."

The textile industry, excluding man-made fibres, is one of Northern Ireland's largest industrial sectors. The decline of that sector and the loss of jobs there has been almost continuous in the post-war period. Since 1959, 54,000 people, representing 34 per cent. of the manufacturing labour force, had declined to 20,430 people, or 14 per cent. of the manufacturing labour force, by 1979.

Yet output continues to increase due to the productivity of the labour force and the modernisation which occurred as a result of the uptake of capital grants to industry. But even since 1979 decline in the industry has continued. By 1983 the Northern Ireland textile industry provided employment for 13,000 people, representing only 13 per cent. of all persons in manufacturing in Northern Ireland.

We are all well aware of the former dependence for employment in Northern Ireland on the linen industry. I trust that the Government will give every assistance possible to foster the rebirth of that industry, to encourage the development of new products and new composite materials based on linen. It has been clearly shown that these are in demand by high fashion designers throughout the world. Finding markets for new products is still a problem. All those engaged in searching for new markets and promoting exports merit greater support and encouragement from the Government.

Northern Ireland industry has also been dependent on the United Kingdom market but there again growth has been low and demand has been slow. We are well aware of the need to export to survive, but how can we compete, especially when there are high tariff barriers elsewhere? There must be greater incentive and assistance for those who wish to export.

Import penetration by cheap imports from low-cost producers in the developing countries has also caused serious job losses for our home produced products. I am sure that hon. Members are well aware that imports of textiles increased from 21 per cent. of total United Kingdom sales in 1973 to 40 per cent. in 1982.

It appears almost ridiculous for hon. Members to advocate at every opportunity that consumers should buy British when there is inadequate and insufficient protection by the Government for the textile industry and the products that are produced in the United Kingdom to enable fair competition against cheap and subsidised imports.

I remain concerned about the recommendations of the Silberston report. I urge the House and the Government not to accept its main recommendations and strongly to defend the interests of the United Kingdom's textile, clothing and knitting industries to take account of the economic and social importance of those interests in Northern Ireland and in other regions in Britain which are equally depressed.

I wrote to the Minister of State, Northern Ireland Office requesting that the interests of the Northern Ireland textile industry should be adequately protected in the forthcoming negotiations and that the MFA should be renewed on such terms as would prevent further decline in jobs. I recognise and appreciate the Minister's awareness of our problems in Northern Ireland. In his reply he said:

"We have examined the Silberston Report on the economic effects of restraints on trade in textiles and clothing and share your concern over the recommendations in the report on the future of the Multifibre Arrangement. The textiles and clothing sector makes up almost 30 per cent. of the total employment in manufacturing industry in the Province and I am well aware that the erosion of the Textile Industry has contributed substantially to the high level of unemployment in Northern Ireland today. It is our intention to ensure that the renegotiation of the Multifibre Arrangement will not jeopardise NI companies."

I hope that the Government will back up that assurance and the Minister's statement that the United Kingdom will not be a soft touch in the negotiations. I also hope that no date will be agreed for the final phasing out of the MFA and that incentives to the textile and clothing industries will mean that we shall quickly modernise and be able to compete internationally with every other producer.

7.9 pm

Mr. Gerald Malone (Aberdeen, South): It is always an interesting and curious parliamentary occasion when those of my hon. Friends who occasionally tend to run like lemmings with the free trade argument suddenly draw themselves up on the edge of the precipice on a night such as tonight having doubtless been confronted by the reality of their parliamentary majorities. Perhaps we should be a little courteous to those of them who have the courage to go over the edge tonight. My hon. Friend the Member for Lincoln (Mr. Carlisle) has already leapt, and, judging by the noises on the Benches behind me, some others may also leap.

Mr. Fallon: Will my hon. Friend give way?

Mr. Malone: I do not intend to give way.

Although I have some sympathy with those of my hon. Friends who may take that step, I believe that their courage is misplaced. If there is any debate in which a fair grasp of reality must be the touchstone from which we proceed, this is it. Indeed, I congratulate my right hon. Friend the

Minister on what he said in his initial remarks and on having a very realistic approach to an extremely difficult issue. My right hon. Friend's approach was different from that of Opposition Members. He has demonstrated that he is prepared to consider some form of renewal of the agreement while working towards freer trade, but Opposition Members are more than happy to have protectionism and to see the present agreement set in concrete. That is the difference between us.

This debate is extremely important for Scotland. Scotland employs about 14 per cent. of those employed overall in the textile industry. But perhaps more importantly, those people are employed in areas where there has already been a massive rundown in the industry, and they have already faced massive sacrifices. In some of those areas it has proved possible to create new jobs through fresh industries, but there would be a grave risk if anything happened to prejudice those jobs still further.

We must try to balance the interests of those employed in the industry with the interests of the consumer. My hon. Friend the Member for Lincoln rightly mentioned the consumer. However, in another context my right hon. Friend the Secretary of State for Energy pointed out that there is more to matters than simply the consumer. There are, after all, consumers and producers. It is perhaps another interesting parliamentary curiosity that my right hon. Friend's speech has been endorsed by my right hon. Friend the Prime Minister from the Dispatch Box. Thus, the Government presumably accept that the interests of consumers cannot be considered on their own.

Those who believe that the agreement should simply be scrapped should ask themselves whether it has badly affected consumers' interests. There are three questions to which hon. Members must address themselves. First, has the agreement made the textile industry softer? The answer is that it has not, because the textile industry, almost uniquely in this country, has increased its productivity by 30 per cent. since 1980. Secondly, has the agreement made the textile industry less keen to invest? The answer is, of course not. After all, £200 million was invested last year by the textile industry. Thirdly, has the agreement made the industry complacent about its products? Has there been a shortage of goods in the market place? The answer is no. The industry has diversified and has moved with the times. It has added value to its product to the extent last year of £3·9 billion.

If we had been faced with a complacent industry that had hidden behind a protective shield, I would have agreed with those of my hon. Friends who say that the agreement shoud be thrown over. However, that is not the case. The industry has responded to the challenge set out in 1974, which was that this was a time for change and should be used as an opportunity for change. The industry has taken that opportunity.

It is too simple to state that the agreement should simply be renewed. That is not sufficient. In the past few years it has become tighter and more, rather than less, protectionist. I had hoped that over the period of its development the degree of protection provided would become less restrictive than at the outset. One of the principles guiding the negotiations leading to renewal should be that, although some protection is necessary, it should not be static and should not become sharper and tougher as the years go by.

In attempting to renegotiate the agreement, my right hon. Friend the Minister should move slowly towards a free trade position. That must be the inevitable and long-term consequence of our endeavours. But it is not something that can be achieved instantly; it must be a long-term objective. It is not quite proper tonight to suggest, say, that the agreement should last for five or 10 years. However, the textile industry in this country has taken substantial investment decisions on the basis of the current MFA. Those investments must be given a chance to bear fruit, and the industry must be given a chance to see clearly where its future investment opportunities lie. If my right hon. Friend has that as a guiding principle, he cannot go too far wrong in the renegotiations.

There are some details that it would be helpful to incorporate in any new agreement. We must, of course, move towards a less restrictive approach than we have had during the past few years, which would benefit the developing world. I think that there is a broad consensus tonight on that point. We now have an ideal opportunity to get rid of some of the abuses in the present system. I have always thought it reprehensible that a system of quota renting—a method of passing quotas round—should grow up. That problem must be tackled in the negotiations, and stopped. In addition, we must develop a much less blunt instrument than the unilateral sanctions that exist under GATT as a response to those who abuse the free trade that we wish to see. As hon. Members have already said, such abuses certainly exist.

If my right hon. Friend the Minister pursues that course, he will set a mood that shows that, although we are in favour of renegotiating the agreement on a reasonable basis, we are not in favour of protectionism as a creed. That is the mood that he must set in the talks. It is a difficult mood to create, but I am certain that my right hon. Friend has made a very good start this evening, and I am also certain that the whole House wishes him well in his efforts.

7.18 pm

Mr. William McKelvey (Kilmarnock and Loudoun): I am glad to have the opportunity of speaking in this debate, because, as many hon. Members have said, the issue before us is crucial for the textile industry. I accept that hon. Members have the right to talk about constituency matters, but on this occasion I should like to underline the importance to Scotland of renewing the agreement.

The economic importance to Scotland of the textile industry is often ignored and almost invariably understated. The industry in Scotland employs about 60,000 people—almost as many as the steel, coal and shipbuilding industries combined, and more than half as many again as the electrical and new electronic engineering industries employ. That means that the industry is responsible for 14 per cent. of manufacturing employment and for about 3 per cent. of total employment in Scotland. Consequently, I need not underline its importance to Scotland.

The threat of job losses if the multi-fibre arrangement were liberalised or abandoned is viewed not with hysterical anxiety but with genuine concern by those engaged in or employed by manufacturing industry. The problems would be exacerbated if the agreement were ended because of the geographical locations involved. Unemployment would result and the effects upon the Scottish economy would be disastrous.

[Mr. William McKelvey]

The high unemployment in Scotland seems to have escaped the attention of the media recently. The latest figures show that more than half of the United Kingdom total rise in unemployment during April took place in Scotland. Last month 2,785 souls in Scotland joined the dole queue, bringing total unemployment to a disgraceful 354,692. The Government's policies are responsible.

In 1982 the textile and clothing sector accounted for nearly 8 per cent. of manufacturing output and nearly 2 per cent. of Scottish gross domestic product. In real terms output per head in textiles rose by nearly 14 per cent. between 1979 and 1982. That compares favourably with the 13·5 per cent. increase in manufacturing industry as a whole. Manufacturing industry in Scotland cannot be said to be Victorian, Luddite or old fashioned. Manufacturers in Scotland, like their counterparts elsewhere in the United Kingdom, have modernised their machinery and cut costs.

The Scottish textile industry is export oriented. About 90 per cent. of total sales in 1976 went either to the rest of the United Kingdom or abroad. In Scotland we regard sending goods to England and Wales as an exercise in exporting.

The Minister said that a great deal of money had been put into the textile industry to alleviate the problems in areas of high unemployment. I hope that the Minister will take my remarks into account when such moneys are doled out in future.

Strathclyde covers about one third of the geographical area of Scotland and supports about two thirds of Scotland's population. It unsuccessfully claimed a share of the £58 million allocated to the United Kingdom under the EEC non-quota programme to assist textile closure areas. Representations were made in respect of the Kilmarnock and Paisley travel-to-work areas where there is a concentration of that type of work and where heavy losses in employment have occurred recently. The EEC Commission and the Government adhered strictly to the 20 per cent. "regional dependency ratio" which works against such a large region because of the pockets devoted to textiles in that region.

The districts certainly lost over 20 per cent. of manufacturing employment but they were denied the grant which could have alleviated suffering in areas with some of the worst unemployment in Britain. I hope that the Minister will bear in mind the needs of that large region. Perhaps he will be able to change the system so that grants are more equitably distributed.

In Kilmarnock and Loudoun the textile and clothing industries provided 4,500 jobs in 1981—almost half of all manufacturing employment in textiles. Because of the many job losses in the BMK carpet factory, that figure has shrunk, but we have managed to hang on to our lace knitting industry. The knitwear industry has experienced a slight improvement in terms of jobs. Once 40 small knitting firms existed in the area but now there are only four. Any further depletion of that industry would be disastrous for an area with no alternaive employment opportunities.

The factories distributed throughout Scotland are not usually large. Mackinnons in Coatbridge employs about 500 people. It was returned to the private sector by the Scottish Development Agency as part of the Dawson international group. Queen of Scots in Irvine employs about 400 people, is part of Courtaulds and produces "cut and sew" knitwear. Cumnock Knitwear employs about 300 workers, Macdougalls of Lanark employs between 200 and 300 and Mansfield Hosiery Mills in Glasgow employs about 200. Any loss of jobs in those areas could be devastating.

There is a modest caution about the way in which the Minister approaches the problem. That is not because he is not sincere, but I should have more confidence if he were more dynamic and forceful in his attitude to the negotiations. If he needs any assistance, I know several shop stewards in the textile industry who are fully aware of what it means for the MFA to be continued. They want to sleep easy in their beds. All the representations made to me on the subject have been made jointly by the trade unions and management. I support them.

7.27 pm

Mr. John Watson (Skipton and Ripon): I am pleased to have the opportunity to participate in the debate, particularly as two key issues of principle must be discussed before the House can consider the MFA itself. The first is the simple definition of the word "unfair".

Some people are confused about what we mean when we talk about unfair competition. If what is meant is competition from imports which are subsidised by the Governments of the countries from which they come, I would enthusiastically agree with the definition. However, some colleagues take the definition further and apply it to imports which they regard as unfair simply because they are unwelome, inexpensive or based upon pay levels which are lower than levels here. By no stretch of the imagination can I believe that the word "unfair" can be applied to such competition.

Secondly, and perhaps more fundamentally, what exactly do we want industry to provide? Do we expect industry in Britain to be the provider of jobs or of wealth? The prevailing political fashion is to say that it can do both. In the 150 years since the industrial revolution, successful industry has indeed done both.

However, it is unrealistic to expect manufacturing industry to provide both jobs and wealth as the 20th century draws to a close, for two reasons. First, to provide jobs and wealth it is necessary for production each year to exceed productivity by a considerable margin. That can be done only if our share of world trade escalates considerably from its current low level. Second, it means that the employment provided by manufacturing industry, which has been falling consistently for over 100 years, must be reversed and so begin to increase.

Those might both be laudable objectives, but they are unrealistic as assumptions upon which to base an economic policy. I appreciate that, faced with a choice between jobs and wealth, it is consistent that many Labour Members should believe that the correct role of industry is to provide jobs. That is a valid and logical choice, but I ask Labour Members to consider the consequences of opting for it.

It is self-evident that an industry whose task is to provide jobs must be overmanned and will not be competitive in world markets. If it is to exist, it must do so behind a barrier of trade protection, from which a number of consequences inevitably flow. The choice available to domestic consumers will be smaller and the prices enforced on them will be higher. If experience around the world is a guide, our currency would be higher in value, thus making exporting more difficult, apart from

any retaliation that might be indulged in by our trading competitors. Our raw material imports would be more expensive.

Any policy that is based upon industry assuming the role of a provider of jobs must be accompanied by a lower standard of living for Britain, not least for those who have the misfortune to be unemployed. The standard of living would, I believe, be lower than the majority would be prepared to countenance.

My preference is for the alternative. I believe that industry should be regarded as a provider of wealth rather than of jobs. That brings problems as well, for we must decide how to distribute the wealth thus created. As a policy that is based upon the creation of wealth cannot be one which offers full employment, we are presented with the problem of how to distribute the burden of unemployment. If unemployment is bound structurally to exist, should it fall upon those who, by default, are currently unemployed, who are largely those entering the working population for the first time, or should we make adjustments to the age or retirement, for example, so that the burden of unemployment, under-unemployment or enforced leisure falls upon those who would find it rather less unwelcome?

It follows that, in principle, I do not like the multi-fibre arrangement. It is clearly a protectionist measure. It fails to distinguish between imports that are unfair and others that are merely unwelcome. However, I shall disappoint those of my colleagues who believe that I should say that the arrangement should be chucked into the Indian ocean. My argument is not based on constituency interests because I do not represent a textile constituency.

I am always suspicious of some of my colleagues whose principles are reinforced by naivety. If it is in our interests to give something away, we should not give it away if instead, through a process of bargaining and negotiation, something can be gained in the other direction. Concessions with the United States and newly industrialised countries could be gained if our ultimate objective were the liberalisation of the arrangement.

It must be acknowledged that some benefit would be provided to some countries if we were to open up our markets in a more liberal way. If we provide that benefit, it is surely only logical that we should have some say in determining the beneficiaries. If we were to throw the arrangement into the water, the principal beneficiaries would be Taiwan, Korea and other newly industrialised countries which are not among the most needy of the developing nations. Some discipline must be maintained to protect the role of the most poor and most needy.

I also support the limited maintenance of the arrangement, at least for the time being, because of the nature of the employment which textiles provide. Professor Silberston's report included the almost notorious assertion that consumers are paying £500 million more for their goods than they would pay if we did not have the arrangement and that 50,000 jobs would be lost if we did not have it, so that the consumers' subsidy per job is about £10,000.

First, I challenge the assumption that all of the £10,000, if that is a true figure, would instead be spent within the United Kingdom. It is arguable that half of that sum would be spent upon other imports into the United Kingdom that had been manufactured in other countries. Secondly, the nature of the employment that is provided by the textile industry is one that is peculiarly difficult to replace. It employs an above average number of women and members of ethnic minorities. Overwhelmingly, it employs those who are not based in the south-east. If we were to devise a job creation programme to fill the gap potentially to be left by the demise of the textile industry, I have no doubt that it would cost the taxpayer more than £5,000 or £10,000 per job.

Therefore, I support the line taken by my right hon. Friend the Minister for Trade. I hope that the arrangement will not be a feature of British industrial life in the long term. However, until we can have some control over who gets the benefits, until we can be sure that we shall receive adequate concessions from our trading partners, and until we have some realistic policies to deal with the unemployment that would undoubtedly result in certain areas, I hope that the arrangement can be maintained for the time being.

7.37 pm

Mr. Barry Sheerman (Huddersfield): It gives me great pleasure to have the opportunity to take up some parts of the thoughtful speech of the hon. Member for Skipton and Ripon (Mr. Watson), which went beneath some of the superficialities on which some Conservative Members have dwelt. I shall not be joining what amounts to a consensus in welcoming the Minister's announcement on the arrangement, because I shall adopt a rather different approach.

I am sure that the people of west Yorkshire will be intrigued when they learn that the Liberal party's spokesman on these matters has adopted a philosophy that will sell down the river the textile interests of west Yorkshire and other areas. The Liberal party has taken a signal decision and we shall ensure that those in west Yorkshire and elsewhere hear about it, including those who live in Lancashire.

Many Conservative Members are guilty of hypocrisy. There are known to be slavish admirers of the Prime Minister and the free market philosophy. However, when it comes to constituency interests, such as jobs in the areas which they represent, and, most important, to the fear, which interestingly enough was expressed after the results of last Thursday's elections were announced, that they might lose their seats, they depart from the free market philosophy and the belief that the Prime Minister is absolutely right on every occasion. Instead, they start calling for some support for the industries that provide jobs in their constituencies.

There is common ground between us in welcoming the Minister's statement on the arrangement. However, it seems that he has been waving his commitment to the arrangement rather like a figleaf that disguises the terrible damage that the Government have done to the textile and clothing industries over the past five or six years.

In my constituency, the jewel in the crown of the textile industry, we have seen mill after mill closed because of the Government's policies on interest rates and the exchange rate. Against that background, the arrangement has offered a little help. We have seen what the Government's policies have done to the textile industry. To pretend that the Government are concerned about the arrangement, the textile industry and the people who work in it will not go very far to convince Labour Members that the Government are sincere in their professed concern.

There would be a loss of jobs if we abandoned the MFA. Indeed, some 25,000 jobs would be lost in west

[Mr. Barry Sheerman]

Yorkshire. It is also fair to say that retaining the MFA might mean a loss to consumers. Yet the figures show that the cost of clothing has risen less rapidly than any other component of the retail prices index. The proponents of the MFA would play up its advantages, and its opponents the converse.

The MFA is part of a much wider picture, and if that is understood the role of the MFA becomes clearer. I want to sketch it in two parts—the key structural problems, and the framework of policies that could tackle them. Manufacturing industry and its part in international trade is not something that can be comprehended by the accounting techniques of the grocer's shop; nor by anyone whose intellectual boundaries do not extend beyond those techniques. First, the pressures and turbulences of international markets are quite capable of putting paid to a domestic industry in a short time, especially in labour-intensive sectors where low-wage economies have enormous potential price advantages. Secondly, international trade in that area is heavily dependent upon exchange rates, and the absence of a stable system since the collapse of the Bretton Woods agreement has accelerated the fluctuations and increased the turbulences in the trading environment. Thirdly, the domestic conditions of production may create special difficulties. All those factors have conspired to cripple the textile industry in this country.

The Government have delegated to international speculators the job of determining the sterling exchange rate, and the wild see-sawing of exchange rates has been responsible for many of the casualties among textile firms and workers in west Yorkshire and elsewhere. Domestically, the Government have capitulated their responsibilities for economic management to the monetarist mystics and their myopic measures of money supply. By deflating demand and jacking up real interest rates to historic heights, they have caught yet more firms in a dreadful pincer movement, which even the willingness of the textiles work force to take cuts in real wages has been unable to thwart.

On top of all that, there has been the relentless pressure of developing nations wanting to improve—and who can blame them?—their foothold in our markets. They have, quite naturally, built on a price advantage because of the low wages employers pay in those countries. That is where the MFA has played a part in regulating the pace at which market penetration has increased. It has been a modest part in defending the interest of the industry and those who work in it, but the strong consensus is that it has been useful. The underlying structural problem remains that wage differentials between the United Kingdom and the developing nations create a substantial price advantage in the labour-intensive areas of textile production for the developing nations.

This is the point at which to sketch in the framework of policies that are needed. They clearly differ a great deal from the policies of this Government, who tell us that the answers lie not with manufacturing but with the service industries. That is their rationale, if such it can be called, for their cool unconcern at the destruction of Britain's manufacturing capability, both in textiles and outside, and its grossly underused capacity.

The Government tell us that the future lies not with high wages but with workers pricing themselves back into jobs. That is the rationale for the attack on the wages councils—pitifully low though the wages are that they set. They also tell us that the future lies not with skills training for industry but with basic training more appropriate to the low-skill, low-tech, low-wage service industry of the future that they want to see. That is the reasoning behind the abolition of the industrial training boards—and the one covering the textile industry went three years ago—the closure of skillcentres and the crucifixion of our national training system on the cross of market forces.

If that be the framework of policies, the MFA has little or no place, the Government tell us; so an investment policy for the textile industry has no place, so the Government tell us; so an education and training policy geared to textile production has no place, so the Government tell us; and so the industry itself, in the long term, has no place.

However, as some of our captains of industry recently pointed out to the Government—I refer to Mr. Harvey-Jones and the chairman of GEC, Lord Weinstock—to seek salvation in the service economy is an inspiration based on an illusion. There can be no thriving service sector in the absence of a manufacturing sector to service and without the wealth that production and exports generate to purchase those services. Nor should anyone be surprised that Lord Weinstock and Harvey-Jones actually told the Government that they had to begin investing in our manufacturing rather than our service industry.

The truth is that the Government have destroyed the textile industry and are now waving the MFA at the British public to try to show that they care. I believe that people working in the textile industry generally and those manufacturing in that industry—both in management and on the shop floor — will not believe the Government. That is not to say that I do not welcome, in some measure, what has been said, but there is now a need for a further strategy to reinvest in the textile industry, in training, in the infrastructure, in modernisation and in high-tech and to get the textile industry booming again so that it creates more jobs.

7.46 pm

Mrs. Elizabeth Peacock (Batley and Spen): I welcome what my right hon. Friend the Minister said and hope that he has more to tell us later. We all await his reply to the debate. He is well aware of my interest in this matter as I have made representations to him many times during the past 18 months on behalf of my constituents.

The attractions of free trade—an ability to trade in goods without the influence of authority, be it local, national or international—have to be considered as, in theory, they at least have merit in any free society. The replacement of the current MFA for textiles must be considered in the light of continuing experience and a basic consideration of whether it is really possible to conduct international trade in any commodity on a wholly free basis. I have to say that I cannot find a single internationally-traded commodity that is traded without the influence of some authority or Government.

In that context, virtually all agricultural commodities are traded under EC and world understandings, and in that I include such items as sugar and cocoa. There is no real free trade in metals and minerals—while prices may, on the face of it, monitor supply and demand, the markets are underpinned by international understandings that stabilise

them. That stability of markets is what we essentially have now with the MFA for textiles, and it is something that we should maintain.

In this great competitive world, we are often tempted to throw open the markets for many of our products to the complete influence of supply and demand. That has serious dangers of cyclical production and little confidence to invest, and in the longer term it does not benefit the consumer. This year's cheap product is next year's dear item.

I have heard a great deal today about consumers. We are all consumers and must not forget that. As a housewife and mother with two boys, who have recently grown through their teens, I know a little about the purchase of children's clothes, and it is something that continues to interest me.

Consumer organisations have said that the MFA has raised United Kingdom market prices by restricting access of low-cost imports. They say that choice has also been restricted. I have never noticed any real shortage of the cheaper imported ranges of clothes, nor have I noticed any restriction of choice.

Undoubtedly, if the MFA was suddenly abandoned there would be a flood of cheap imports and prices would fall—but, I suspect, for a short time only. The market would find a level — its own level. Certain manufacturers would be put out of business, jobs would be lost and the overall availability would be in balance. Some retailers might see an opportunity to get slightly better margins and prices would move upwards again. In the longer term, the consumer would not benefit.

I suggest that, also in the longer term, the British market is looking for better quality products than some of those generally available from imports. All things being equal, the British housewife wants to buy British, but the value must be right. She is often willing to pay that little bit more to buy British and to have quality—not just in the cloth, but in the finish and the presentation, which are important. I would go as far as to say that the MFA has worked in the consumers' interest, because it has maintained quality in British goods and allowed only part of the market to imported goods.

On an international scale, we are looking for competitive trading within carefully structured constraining rules, such as those provided by GATT and the Lomé convention. For the international textile trade, the MFA umbrella provides the structure and constraint that I maintain are necessary.

At a national level, there is still room for individual initiative. It does not offend my sincerely held Conservative principles to demand controls on international trading, as I believe that there is still plenty of room for competition.

The Yorkshire textile and clothing industry desperately needs a renewal of the MFA, and I call on the Government to acknowledge that they support an MFA 4. We were told earlier that some of us have narrow constituency interests. That is why I am in the House; if I did not reflect that narrow constituency interest in debates such as this, I would have no right to be here.

The EC Commission, which has the job of carrying forward MFA 4, must be told firmly by the Government that the British textile industry needs an MFA 4 and that we should have one. Britain as a whole needs a new agreement and we should make it clear to the EC where its duty lies.

The current MFA may not be perfect—multilateral agreements rarely are—but the overriding factor is that it has achieved its objective:

"The aim of the MFA is to allow for orderly growth of world trade in clothing and textiles."

That overall objective is often lost in the complexity of the arguments.

The developing countries' share of world textile trade rose from 30 to 38 per cent. between 1973 and 1982. Their share of world clothing trade rose from 47 to 59 per cent. in the same years.

In contrast, the industrialised countries' share of textile trade fell from 59 to 49 per cent., and their share of clothing trade fell from 34 to 23 per cent. Between 1977 and 1983, EC demands for textiles and clothing increased by 2·5 per cent., with imports from MFA supply countries increasing by 16 per cent.

The MFA is clearly allowing for a growth in imports to the EC that is well in excess of demand. Experience has shown that, while the excess of imports is unhealthy, it has been tolerated by the industry—a fact which should not be overlooked. The industries in the United Kingdom—I have some in my constituency—are leaner and fitter than ever before, and many have invested in new technology and new techniques, which fit comfortably alongside traditional machinery in a traditional industry. Output per person has increased by 22 per cent. since 1980, a fact of which the industries should be proud.

With the current MFA production, order books are about in balance. The industry is stabilised, and it is stability for which we are looking. It appears, particularly in Yorkshire, that companies are able to grasp market opportunities, but they can and will do so only if they have confidence in the future. In addition to providing stability, we have to provide confidence. Stability and confidence are provided by the MFA umbrella and all its related agreements. Therefore, I call on the Government to renew the arrangements in the form of MFA 4. What is more, I call on them to do so now, to provide the continuing confidence that our industries need.

Throughout the world recession, developing countries have increased their share of world markets. We must have some thought for the poorest countries, and they have been guaranteed access to world markets which, in the absence of an MFA, they would have been denied by the larger, dominating supply countries. They must realise that the MFA brings order to international trade in clothing and textiles, and that must be preferable to the disorder that would ensue without an MFA 4.

I clearly support the retention of an MFA system and the introduction of an MFA 4. The Yorkshire textile industry, and others throughout the country, demand just that from the Government and from the EEC.

7.55 pm

Mr. Cyril Smith (Rochdale): I start by telling the hon. Member for Huddersfield (Mr. Sheerman) that, whatever has happened in Yorkshire, textile mills in my constituency and other parts of the north-west were closing long before 1979.

This is the fifth Parliament in which I have served and there have been few, if any, textile debates during those 12½ years in which I have not taken part. I cannot think of a debate on any of the MFAs that have been negotiated over that period in which I have not taken part. I used to work in the textile industry and I have close relatives who

[Mr. Cyril Smith]

still work in it. In the metropolitan borough of Rochdale, 35 per cent. of manufacturing workers are employed in the textile industry and there are 147 companies in the textile industry.

I say that merely to show that I have a deep interest in the subject, and I hope that it will not surprise the House if I take a different line from that of my hon. Friend the Member for Yeovil (Mr. Ashdown). I try to deal with my hon. Friend kindly, so I say simply that it might have been better if my party had decided to leave the speech to someone who knew something about the textile industry.

I make the strongest possible plea for the MFA to be renegotiated and for a fourth such agreement to be reached. The hon. Member for Macclesfield (Mr. Winterton) and I are both officers of the all-party textiles committee and we, with the hon. Member for Oldham, Central and Royton (Mr. Lamond), appealed for a third agreement. Perhaps it is not surprising that we are now appealing for a fourth.

The Minister told us about things that will happen tomorrow, but we were told 10 years ago that those things would happen tomorrow—there would be stability and everything would be all right. I have heard it all before. Until we see all the promises translated into reality, hon. Members who show some common sense in representing textile constituencies will remain detemined that the industries should be protected not from competition, but from unfair competition. That is what the MFA is all about.

The Minister's speech got better as it went on. At the beginning, I wondered what conclusion he would reach. In the end, the conclusion was all right. However, I was intrigued that he told us all about the existing situation in the textile industry, but did not say what it would have been if we had not had the MFA to protect the industry. He may say that a small percentage represented imports, and so on. But that percentage would have been much greater had there not been a multi-fibre arrangement to protect the industry from those imports.

In the metropolitan borough of Rochdale, which covers Heywood, Middleton and so on, 35 per cent. of the population are engaged in manufacturing work in textiles. In the same area we have an unemployment rate of 17 per cent., even after the local authority has taken off 2 per cent. by indulging in Manpower Services Commission schemes, job creation schemes, and so on. To subject my constituents to a higher level of unemployment as a consequence of allowing the textile trade again to be flooded by imports is unthinkable.

The Prime Minister has talked recently about a bridge in Turkey. I ask hon. Members to consider what happened when we experienced a flood of imports from Turkey. At present, one of the greatest threats to our textile industry is China. We have heard little about China today, but it is likely to be a major threat. If we do not protect our industry from such threats — threats which often are based on the experience of other countries—we shall be doing our constituents and our textile industry a gross disservice.

I must stress again a matter which has been mentioned already by the right hon. and learned Member for Monklands, East (Mr. Smith), because it is especially relevant to my constituency, as it is to constituencies such as Bradford which are also heavily engaged in textile manufacturing. A great many of our constituents are immigrants, and a large number of them work in the textile industry. If we did not act to protect jobs in the textile industry, we should be putting more and more immigrants on the dole — paid for, incidentally, by the taxpayer, whatever this clown Silberston says. In his view, 50,000 would be put on the dole, never mind the 100,000 that we see accruing from a failure to renegotiate the arrangement. I understand that it costs a minimum of £5,000 to keep a man on the dole, so how he arrives at his economic statistics I fail to understand.

But we have some experience of academics fiddling about with industry. They know nowt about it. They come into industry and start telling us how to run it. They have never got off their backsides and out of their universities, so they know nothing about it. If I were advising the Government about the Silberston report, I should tell them to put it in the wastepaper basket and forget it. It is written by a man who may be a brilliant academic, but I doubt whether he has much industrial experience.

I was saying that more and more immigrants will be put on the dole. That is an additional reason for protecting the textile industry. Whereas in the past we may have been able to cope with redundancy because other industries were more buoyant, that is not the position today. That is another reason for developing and maintaining the multi-fibre arrangement.

I do not believe that it is a protectionist arrangement. How can it be protectionist when it allows for a greater measure of imports than the growth of our industry? That must mean that our industry gets a smaller share of the home market or itself exports, so how can it be described as a protectionist measure?

What is more, it should not be forgotten that the MFA helps less developed countries by protecting them against a swamping of western markets by goods from industrialised countries such as Hong Kong, Korea and, in the future, China. At least they know that under the MFA they have a guaranteed level of imports on which they can rely. If they were openly competing with some of the more industrialised nations, their own trade in the developed nations might suffer as a consequence.

In my political life, which has not long to run now, I have always tried to be a realist. I like idealism. It is all right for those who have nowt better to do to indulge in it. For our textile industry and for British industry generally I do not believe that free trade is a realistic option. The trouble with free trade at present is that it is all one way: it is all one way coming in, but it is not one way going out.

We have heard tributes paid to Hong Kong, and I join them. It is one of the few nations which allow in a fair measure of imports. But that is not the general pattern. The trouble with free trade is that, although it may be a glorious ideal, it is not realistic, and it is time that some of my colleagues recognised that.

If MFA 4 is not negotiated, it is certain that thousands of people will be added to the dole queue in my constituency, and they will be added to the 3 million people who are already unemployed. That is why as both a realist and the hon. Member for Rochdale I reject free trade as an alternative and strongly urge that a fourth multi-fibre arrangement should be negotiated. When it is negotiated, I hope that the new arrangement will contain effective mechanisms to react quickly and positively to unfair practices.

The industry generally — and that includes both employers and the trade unions — want to see the arrangement renegotiated, and I for one welcome the Minister's statement and congratulate him. It does not matter how long it has taken him to make it. What matters is that he has made it and said that this Government are committed to negotiating a fourth MFA. I welcome that. I wish him well in the negotiations. He can rest assured that many of us will be watching him and judging him on the results that he achieves.

8.7 pm

Mr. Bowen Wells (Hertford and Stortford): I hope that all of us who start from a totally different position on free trade from that of the hon. Member for Rochdale (Mr. Smith) will not be accused of not trying to put forward the best interests of our textile industry and to maximise employment in the industry, both here and overseas. I hope that today's debate is about expanding the textile industry and protecting it from unfair competition, but making certain that it is subject to proper and fair competition.

I believe that that is common ground, even though some hon. Members look at the position differently. I do not agree with many of those who support the existing MFA or a tightening of it. However, there is one notable exception to what I say, and that is the hon. Member for Huddersfield (Mr. Sheerman), who clearly was reiterating normal Labour party propaganda and in no way relating his remarks to the debate. The rest of us are all concerned with the way in which we can expand opportunities in the textile industry.

It has been calculated that if our textile industry output stands still but it continues to increase productivity there will be some 60,000 job losses in areas of high textile concentration. Therefore, it seems to me that if we are to look at a static position in terms of the output of our textile industry, we have to make provision for diversifying the economies of the areas in which the textile industry is located. That will have to happen, anyway, if we are looking at the static position.

I hope that, through the policies which my right hon. Friend enunciated earlier, we shall see Britain's textile industry expand and that the fears which have been expressed will prove to be groundless. Therefore, the hon. Member for Rochdale and I have reached the same conclusion — that my right hon. Friend is right in supporting a renegotiation of the MFA, but that we should look for additional ways of inducing better marketing worldwide and domestically in Britain.

I pay tribute to some considerable achievements by many companies in the textile industry. Gents of Barnsley is able to manufacture clothing which it can sell over tariff barriers of every kind, artificial or otherwise, in Japan. A company in Leicester has been set up with the most modern machinery to produce hosiery. It is selling hosiery domestically and has expanded by over 250 per cent. in the past three years, but it is also selling hosiery in Asian countries, such as India, Hong Kong and Japan. Therefore, there is every reason to believe that if our domestic industry invests in the most modern machinery, and is flexible in its response to market demands, it can be the equal of any in the world. We do not need protection so much as expanded markets, and that is what I hope we shall get from the renegotiation.

Mention has been made of the developing countries. Their position is to some extent being used as a sop to our better feelings in relation to the developing world, and to justify a protectionist measure. There is no doubt that the MFA, in the way that it has developed, operates against the interests of the poorest of the less developed countries.

Most speakers in the debate have talked almost exclusively of four countries which are now tabulated as newly developed countries. They are Singapore and Hong Kong in our own Commonwealth, and Taiwan and South Korea. This is the conclusion in the derided report of Professor Silberston, which we should bear in mind when renegotiating the MFA if we wish to improve it. He concludes:

"The MFA does not have negative effects for all textile and clothing firms in developing countries. The long-established successful firms are protected from competition from new firms in their own countries, at least to some extent, through their continuing access to quotas."

That is very important. Therefore, it operates against competition even within those countries.

Professor Silberston continues:

"As has been noted, certain countries are protected from competition from other developing countries, since they historically have had large quotas, and attempts to curb the 'dominants' have had only limited success. It may be that countries such as Hong Kong would do as well as they do now in a completely free market, in spite of their high real wages, but the present system does not allow this to be tested. As it is, the poorest countries of Asia, Africa and Latin America, where low real wages favour clothing production, are prevented from exploiting"

that advantage and exporting their product to other countries.

That is the considered opinion of the Silberston report and it accords with my experience in the developing world. That anomaly has to be put right when we renegotiate the MFA and its future.

Indeed, it should be remembered by all those who argue that the MFA now helps countries in the less developed world with low wages that the real wages in Hong Kong per head are now higher in many cases than they are in the United Kingdom. For example, it is not generally known that the driver of a double-decker bus in Hong Kong takes home more in real wages than his equivalent in London.

Hong Kong cannot be categorised as a low-wage economy needing the protection of a multi-fibre arrangement. Hong Kong is an example of what I hope we shall become — a highly efficient country which can compete in textiles with anybody in the world. A modernised and technically advanced industry can be successful and pay high wages, as industry in Hong Kong has managed to do. That should be our objective.

We have to eliminate the protectionist element of the MFA and introduce serious qualifications so that access can be given to the less developed countries. I hope that my right hon. Friend will do that when he helps to renegotiate the MFA. We must ensure that the quota system, if we are to have it in the same form as before, is fair and does not favour certain countries. I hope and believe that my right hon. Friend will pursue robustly a policy of opening the markets of the world to ensure that the developing world will in turn open its markets to us. I hope that my right hon. Friend will help to ensure that our textile exports can get into the United States of America.

Mr. Nicholas Winterton: What about Brazil?

Mr. Wells: And into Brazil. They do not now.

[Mr. Wells]

I hope that my right hon. Friend will ensure, as a condition of modifying the present MFA, that those markets will be open as well. In that way, by using the MFA in a bargaining sense to open up the markets of the world, the textile industry in the United Kingdom will be able to employ more people and create more wealth. It will be able to operate as a market for other countries wishing to export here, thus expanding the whole of the world economy and benefiting all our people.

8.16 pm

Mr. Robert Hughes (Aberdeen, North): Like many hon. Members before me, I welcome the debate, but I trust that the Government will act in accordance with the views of the House and of the industry. In the industry everyone — management and trade unions — is in favour of the renewal of the MFA. Across the political divide, there is an almost unanimous agreement—apart from one or two eccentrics on either side — that the MFA should be renewed. Although there will not be a vote on the motion tonight, I hope that the Government will receive loudly and clearly the instructions of the House, and there is no doubt as to what they should be.

Much has been said about job protection, and a great deal has been said about the Silberston report. I quote a passage from page 42 of the report, in relation to jobs:

"At the worst, employment might be unchanged."

That is a reference to technical changes and differences in the MFA. It continues:

"In other words, the fall in employment of 166,000 in textiles and clothing—as well as the subsequential unemployment in associated industries, such as man-made fibres — could be offset, or more than offset, by an increase in employment in other industries. What is more, earnings in these other industries would probably be higher than in the low-paid textiles and clothing industries, so that workers moving from one to the other might benefit from the point of view of earnings."

That shows how much Professor Silberston is in touch with the reality of the situation.

The need to renew the MFA is not related only to job protection. If we were dealing with a dying industry, we might argue that it was purely job protection, but in global terms the textile industry is a growth industry. There may be arguments and questions as to how and where the growth is to take place, but there is great worldwide potential for the textile and clothing industry.

Indeed, the report of the secretariat of the United Nations Conference on Trade and Development points out that the value of world trade in textiles increased over the decade 1970-80 by an annual average of 16·1 per cent. Over that decade, the annual growth of clothing manufacture worldwide was 20·1 per cent. Although the figures may vary from time to time, if there is an upsurge in world trade, there is room for an upsurge in training, and even greater potential for the industry.

I welcome the Minister's commitment to a renewal of MFA 3 and a new MFA 4. However, he did not satisfactorily answer the crucial point, which is the period of renewal. The renewal of MFA 3 into MFA 4, simply phasing it out, is not good enough. We need an MFA 4 with a commitment to renegotiation, either in the middle of the period or at the end of it, over 10 years. The need for stability demands that we should know where we are going. The Minister said that some people within the EEC favoured a phasing out, but that he would not accept that as a precondition for discussions. That statement does not fill me with confidence. The Minister has left the back door ajar for phasing out MFA 4 if the opportunity arises. He has left himself an escape hatch. We do not want him to make use of it.

If the industry is to be competitive, we need modernisation and investment. There will be investment only if there is a long-term future extending over at least 10 years. We need investment, but we also need Government help. Change must be fostered. We must recognise that great changes are taking place in various parts of the world. I believe that the People's Republic of China is poised to invest massively in the most modern type of computer technology, by-passing the technology that many of our industries have adopted. We must be prepared to follow suit.

The omens are not good. A year ago, the Government put forward the CLOFT scheme, which involved a sum of £20 million over four years. The scheme was blocked in the EEC. I believe that the Minister of State was as astonished as anyone when the scheme was blocked. A fortnight before, he had written to me stating that he expected the scheme to be approved in the near future because, after discussion, adjustments had been made to the original scheme. I do not know what the adjustments were, but I believe that the Government did all that they could to have the scheme adopted, and yet it was blocked. Does the Minister intend to accept the situation, or does he intend to take a more active line and vigorously pursue a new investment package? We need to know his intention.

The Minister said that he will press for equity of treatment and ensure that other countries do not get away with behaviour contrary to the strict EEC rules. However, the door is being closed after the horse has bolted. Other countries have had investments and preferential treatment. They have had their grants and subsidies, while this country has not. Belgium, Italy and various other countries have enjoyed such treatment. They are listed in the much-maligned Silberston report.

We need to act positively, especially in terms of the so-called social clause. Trade unionists and Socialists are certainly not opposed to development in developing countries. We want development for people, and decent pay and conditions. We understand the importance of textiles to such countries. The UNCTAD report notes that textiles and clothing represent 33 per cent. of the manufactured exports of developing countries. However, in developing countries, textiles and clothing also probably represent the greatest area of exploitation. That is graphically shown in the TUC booklet entitled "A fair balance in textile and clothing trade". Table 7 on page 31 gives the hourly labour costs in some major producing nations in 1984. Seventeen countries are listed. In 14 of them, labour costs were below $2 an hour. The lowest rate is paid in Indonesia. I do not have the precise figure, because the graph does not give it, but the average labour costs in Indonesia were below 50 cents an hour. In the United Kingdom, the figure was about $5·25 an hour, in Italy over $6 an hour, and in the United States $8·50. Clearly, there is great exploitation in Indonesia.

There may be exploitation in terms of conditions as well as pay. On page 31 of the TUC booklet we read that:

"The widespread appearance of free trade zones in these countries over the last five to ten years, in which companies receive considerable tax concessions from host countries and in

which workers are frequently denied employment rights laid down in ILO Conventions on Minimum Labour Standards, is a worrying phenomenon."

We take that matter very seriously. I hope that we shall see a change in the sneering attitude of the hon. Member for Yeovil (Mr. Ashdown) and of some Conservative Members who have cast doubts on our credibility and our concern for those who live and work in the Third world. Among other things, the Minister must take seriously the strengthening of the social clause.

There is a need for proper labelling. Under the system known as outward processing, without proper labelling, one does not know what one is buying, where it comes from or what quality it is. Labelling applies to goods from inside the EEC as well as outside. I am very concerned about the decision taken by the European Court on 25 April which made it clear that article 2 of the Trade Descriptions (Origin Marking) (Miscellaneous Goods) Order SI 1981 No. 121 is in contravention of article 30 of the EEC treaty. That decision means that our domestic legislation on labelling, especially with regard to countries of origin, is out of court and cannot be applied.

I believe that the Minister said in his speech that the Government were considering the implications of that judgment. I am no expert in EEC matters, but I understand that there is no appeal against the decision. We are stuck with it. However, the Minister should try to get round it. Fair competition demands fair and accurate labelling.

I certainly do not constantly espouse the cause of the employers. I have spent too much time arguing with them about employment practices. However, I take the employers seriously when they tell me that they want proper and fair competition and believe that they can live with it. That, too, must be part of the new MFA.

I come from the north of Scotland, where there are many companies at the top end of the clothing market, such as Crombie's of Grandholm. They are world-famous companies. They argue for reciprocity or equivalence of tariffs. In South Korea, Brazil and Australia, the tariffs are astronomical. In some cases, imported wools and textiles are subject to tariffs of 205 per cent. Such matters must be resolved in detail. However, what is most important is that the MFA should be renewed and that the Government should state specifically that there is not to be a transitional or phasing-out agreement. I understand why Ministers say that we cannot declare our hand now but must wait for negotiations. However, unless the Minister states specifically the principles on which he will not budge, he will be railroaded into a transitional arrangement and, in the end, that will mean a phasing out.

We want an agreement that lasts at least 10 years. We are prepared to accept a break clause to see how things adjust. We want stability. Phasing out must not be allowed. Far too many people in Britain and in Third world countries depend on textiles for jobs. The issue should be examined properly and the Minister for Overseas Development should be brought in with a view to creating a combined aid package concerning imports, jobs and investment. In those circumstances, we should all be satisfied. I dare say, however, that none of us will be entirely satisfied with the final package. I understand the reality of negotiations, but the House is clearly instructing the Government that it wants an MFA 4 and no phasing out in any form, no matter how others might try to smuggle it in through the back door.

8.30 pm

Mr. Lewis Stevens (Nuneaton): I welcome my right hon. Friend the Minister's assertion that the MFA will be renegotiated. Any liberalisation should have no significant effect on controls in the present arrangement.

It has been suggested that we can compete in any circumstances and that others should be given a fair crack of the whip. As the hon. Member for Aberdeen, North (Mr. Hughes) said, the costs in some countries are so low that there is no way in which we can genuinely compete with them. It is therefore essential to protect our industry. I welcome what my right hon. Friend said about recognising the special circumstances of poorer suppliers. It is generally agreed that the MFA has helped the textile outputs of those countries.

There have been some important developments in textile companies during the past five years. They have slimmed down and we can admire their updating of equipment, methods and design. All that will be wasted if the MFA is threatened as they need its special support to go through confidently with the required investment.

Our principal fear about imports from countries such as Taiwan is that they are at the bottom of the market. My right hon. Friend referred to our producing higher quality goods. That is good, but we must be careful not to be pushed into having a high quality industry with no base in the cheaper end of the market. Some of our other industries have collapsed because they were forced into ever more specialised markets. The great example of that was the motor cycle industry. To avoid repeating that we need the protection of the MFA.

There have been considerable improvements in the industry in my constituency, but the result has not been many more jobs. If our textile and clothing industry suffers, so, too, will others such as the textile machinery industry. We used to have a highly successful textile machinery industry, but the smaller our textile industry gets, the less the engineering industry can develop. We need the home market for development of high technology. Our share of the textile machinery market has reduced considerably recently, to the detriment of areas such as Leicester.

It is good that some companies are investing overseas. Some of our agreements with Third world countries will lead to our investing there, thus enabling them to enhance their use of the MFA. The MFA has led to co-operation between Third world countries and the EC. Such development can continue. The new agreement should not be short term. It will be a major factor in the protection of our textile industry. Although liberalisation is desirable, it cannot be achieved quickly in the real world. We heard from the hon. Member for Yeovil (Mr. Ashdown) what fairyland is like. Although we must react to a nominally free market, free is a relative term which depends on products, customers and other countries. We do not often work in a genuinely free market and this moderate restriction helps us and the poorest countries of the world.

8.36 pm

Mr. George Park (Coventry, North-East): Coventry might not be a place that immediately springs to mind in a discussion on textiles, but the city has been involved with textiles for hundreds of years and, until recently, they provided thousands of jobs for Coventrians and minorities

[Mr. George Park]

from Asia and European countries in the aftermath of the second world war. Many people from the Ukraine, Poland and Latvia still work in the textile industry.

It is regrettable that many of those jobs have disappeared. We are now down to a plateau of about 2,000 employees, mainly in one company. There are severe doubts that, if a fourth MFA is not negotiated, we could slip off the plateau and the industry could suffer further job losses, if not extinction.

A new MFA would provide a framework for avoiding large and sudden influxes of imports, many of which are in some way subsidised. The manufacturers of such goods enjoy protection for their home market. That is not often recognised by the advocates of complete free trade. Recent events have shown that the market in textiles is still weak and that home demand is not adequate to cope with the already agreed growth in imports. Some countries such as the United States of America are likely to continue to restrict imports, so there is an even greater likelihood of dumping in Europe if there is no effective organisation to control it.

In Coventry, we have been painfully picking up the pieces in an attempt to return to a viable state, albeit at a greatly reduced level. However, serious uncontrolled inroads into the textile market by producers from outside Europe would be a significant setback to the process of regaining even a few of the jobs that have been lost. I remind hon. Members that unemployment in the area is 34 per cent., not 16 or 18 per cent.

The case for MFA 4 is not entirely based on self-interest. Without it, poorer developing countries would lose the guaranteed access to the EEC market that the MFA provides. Disorder would develop in world textile and clothing trades and spread to other sectors of trade. In that connection, it should be noted that, despite a fall in market demand for textiles and clothing in the United Kingdom, imports between 1978 and 1984 from MFA countries rose by 15 per cent. Although United Kingdom industry has benefited from income growth being lower than it would have been without the MFA, developing countries have increased their market share and export earnings.

Labour Members continually stress the need for increased investment in industry to reduce unemployment. To generate the necessary confidence for investments to be made, there must be reasonable prospects. Without the stability provided by an MFA there would be no restraints on low-cost imports, the confidence to invest would disappear, and with it, the prospect of more jobs.

The textile and clothing industries are gradually picking up the pieces, but they are still vulnerable, and the abandonment of the MFA would expose them to an unrestrained flood of disruptive imports from low-cost countries, and cause a return to beggar my neighbour policies.

I am glad that the Minister in his opening speech said that he was in favour in principle of continuing the MFA. However, several of my colleagues and I believe that the Government should work for a renewed and strengthened MFA along the lines set out in the TUC booklet. That would safeguard the livelihood of those still in the industry, and provide hope for the unemployed through a continuation of orderly adjustment in the industry.

8.41 pm

Sir Paul Bryan (Boothferry): As I was a manufacturer of clothing in the West Riding of Yorkshire for 20 years, I feel at home in this debate. However, the House will be glad to hear that that does not mean that I shall make a long speech. Because of other duties in the House, I had to miss a large part of the debate. It would therefore be inappropriate and unwelcome if I spoke at length.

I shall concentrate on one matter. My hon. Friends will not be surprised to hear that that matter is Hong Kong. I wish to discuss the possible effects of the multi-fibre arrangement on Hong Kong and on our relations with Hong Kong. I do not pretend that a fall or rise of 1 or 2 per cent. in the quota will kill the Hong Kong textile industry. In the past it has shown an amazing adaptability to whatever conditions it faces. My point is that our negotiations could affect our relations with Hong Kong.

At present our relations are good because we have succeeded in negotiating the agreement with China on behalf of the people of Hong Kong. It was not the best agreement for which one could possibly hope, but it was clearly the best that we could manage. The people of Hong Kong could undoubtedly see that we tried hard on their behalf. The Prime Minister took part in the negotiations and we provided a magnificent negotiating team. As a result, there is a general international confidence in Hong Kong.

The agreement is unique in that it is for 13 years. We must, therefore, hold the confidence of that territory for a long time. One can argue that that should not be difficult, that we have a genuine interest in Hong Kong and that we wish to do our duty. However, people in their position are bound to look for signs that we are not as interested as we were or might be.

From time to time we blunder into terrible and needless lapses in our relations, as we did with students' grants. For no benefit to ourselves, we offended Hong Kong terribly and, indeed, did ourselves great damage. I do not want that to happen again.

The manufacturers of Hong Kong are far too sophisticated and realistic to think that we will abolish the MFA, and they would not have been surprised to hear the speech of my hon. Friend the Minister today. However, they would be offended if their quota were reduced further. They expect it to stay where it is. In the early days of the first MFA in 1973 everyone believed that it would increase the opportunities for underdeveloped countries and protect employment in our industry, but the figures do not show that. The developing countries are little better off, but Europe has benefited most. The gap in our consumption has been filled by Europe. To cut Hong Kong's quota further now would have no foreseeable effect and would be offensive to the people of Hong Kong. I hope that we shall be seen to negotiate an arrangement which does not make their position any worse than it is.

Oddly enough, our clothing manufacturers buy a great deal of cloth from Europe when they could buy it from the United Kingdom. That spoils our balance of payments with Europe.

A more severe quota than previous quotas would be offensive. It would be of no practical benefit to our country and it would offend Hong Kong. Indeed, it could do practical damage to our trade. These days we do not believe that sentiment goes far, but from my knowledge of Hong Kong I am certain that we would never have got

big contracts such as Castle Peak power station had it not been for our close ties with the territory. With the enormous opportunities in China at hand, we must be careful to deal with these matters with delicacy and good sense.

8.48 pm

Mr. Peter Pike (Burnley): The vast majority of hon. Members present welcome the Government's intention to renegotiate the agreement. The hon. Member for Yeovil (Mr. Ashdown) presented a minority view. I hope that the Minister will take note of the strong views and ensure that the qualifications and reservations that the hon. Gentleman expressed are not overstressed and that we reach a good long-term arrangement. The majority of hon. Members believe that that is what we should seek, and if a vote were held at the end of the debate that would be the clear result.

It is also interesting to note that that is the view of hon. Members on both sides of the House. I represent an important cotton manufacturing town in Lancashire. At the turn of the century it had more cotton looms which wove straight white cotton than there were in any other town in the world. Ever since the end of the first world war the industry has been in decline. There was a recession in the cotton industry between the wars, when about 30,000 people left the town to seek work elsewhere. That is one reason why I was born a southerner instead of being born in Burnley. However, during the war, when the textile industry was asked to produce the cotton and textiles that the country needed, it went back into production and produced the goods.

It must be remembered that in the immediate post-war years, when many people foresaw a return to the depression between the wars and wished to move to other industries, the Government of the day pleaded with the people of Lancashire and other regions to stay in the industry and continue to produce cotton. They have earned the right to demand that the MFA should be renewed and that we should have a mark 4 agreement.

As many hon. Members have said, the campaign for the renewal of the MFA has been made by both sides of the industry. I have received letters from the textile workers section of the Transport and General Workers Union in my constituency, the Dyers and Bleachers Union, the Textile Manufacturers Association of North-East Lancashire, Elgin Manufacturing and Grenfell Garments. I take time to name them because, if those letters did not have headings and signatures at the bottom, it would have been difficult to know who was making the case for the renewal of the MFA.

Many hon. Members have stressed the importance of the industry to our economy. Despite its decline, it is still a major industry and a major employer. I am aware of the work undertaken by institutions, such as the Shirley institute in Manchester, in trying to ensure that the industry is at the forefront and can meet the challenge of the 1980s and beyond.

I have no doubt that if the MFA is not renewed, jobs will be lost and there will be more closures. That will hit the most vulnerable areas, including the north-west, Yorkshire, Scotland, Northern Ireland and the inner cities. It will affect especially women workers and the ethnic minorities. The unemployment statistics are interesting. In Accrington and Rossendale, unemployment is 14·3 per cent.; in Blackburn, it is 15 per cent.; in Bradford, it is 15·1 per cent.; in Oldham, it is 13·8 per cent.; in Pendle, it is 14·6 per cent.; and in Rochdale, it is 17·1 per cent. Those figures speak for themselves, and I have no doubt that unemployment would become worse if the agreement were not renewed.

That does not mean that we are uninterested in the future of the developing nations. I am interested in their future, and wish them to develop and improve the standard of living of those who live there. It will not be to their advantage if the agreement is not renewed. The more industrialised nations, such as South Korea, will benefit, not the emerging nations, which we should be trying to help. The renewal of the agreement will ensure that they get the best deal possible and the best protection possible.

The bilateral trade agreements made under the MFA between the EC and its low-cost suppliers provide guaranteed access to the EC, with yearly increases. It is important to remember that there are yearly increases and that growth is not limited to increased demand. Between 1977 and 1983, market demand in the EC increased by only 2·5 per cent., while at the same time the supplying nations covered by MFA bilateral agreements increased their share of the market by 16 per cent. It is obvious that the MFA benefited them, and that advantage must be provided for in any new agreement.

There has been a massive improvement in productivity in the United Kingdom industry in recent years, which is another reason why it should be assisted to move foward and ensure that jobs and companies are protected. I do not accept the argument that we should not protect some of our industries. The role that the textile industry has played for many years and the fact that it has such a good record of industrial relations have earned it the right to demand the renewal of the agreement.

8.55 pm

Mr. John Whitfield (Dewsbury): When the hon. Member for Huddersfield (Mr. Sheerman) began his speech, I was looking forward to full and informed comment on the welcome announcement by the Minister this afternoon that Britain would apply, with the European Community, to renew the MFA. Unfortunately, we heard the usual Socialist diatribe that is wheeled out so often in the House, and his speech had little to do with textiles.

I represent Dewsbury, and I am by nature a free trader. My inclination was to make a speech similar to that made by my hon. Friend the Member for Lincoln (Mr. Carlisle), but, unfortunately, in Dewsbury we must live in the real world, and the real world is beset by protectionism in many forms. It comes in the form of tariffs, quotas, outright blockades, anti-dumping measures and regional assistance in all countries, including the United Kingdom. It also comes in the form of the multi-fibre arrangement.

I received a rather sad letter from people who describe themselves as,

"All that remain of a work force of over 1,500",

at Wormalds and Walkers Limited, Dewsbury Mills, Thornhill road, Dewsbury. All that remains of that work force are 30 names and addresses attached to a letter urging the Government to proceed with new negotiations, which I am pleased to hear they will do. That is an illustration of what happens in the real world. Wormalds and Walkers were manufacturers of heavy woollen cloth and blankets. The MFA certainly did not help that company.

[Mr. John Whitfield]

Since other hon. Members wish to speak in the debate, I shall restrict my remarks to what I believe the shape of MFA 4 should be. We have heard what the guiding principles behind it should be.

Many people have said that the new MFA must recognise the need for competition in the textile and clothing trades so that bilateral agreements concluded with low-cost supply countries incorporate a social clause that deals with working hours and conditions, freedom of association for workers and protection of women and children. The hon. Member for Aberdeen, North (Mr. Hughes) referred to this. However, the MFA should not contemplate taking that on board.

The issue of low cost and low wage countries is fraught with difficulty, but such countries should not be penalised for what they are. What may be unacceptable working conditions to us should not be held against low-cost countries as a reason to prevent them from trading with us. Subsidisation takes place in all countries, including ours, and if low-cost countries indulge in it, that should not disqualify them from taking part in world trade.

An important principle is reciprocity, which has been referred to several times today. This is essential, and I urge my hon. Friend the Under-Secretary to push that for all that it is worth. There is no doubt that there are serious omissions. Japan is the obvious case in point. Another firm in my constituency, Hinchcliffe and Sons, of Denby Dale is a successful company—by contrast to the previous example that I gave—of fine woollen spinners. Among other things, it spins cashmere yarns, for which the raw material is £82 a kilo. However, its competitors in the Scottish borders are able to purchase the raw materials for the same yarn at £70 a kilo from Japan. That is a typical example of the difficulties of protectionism, for what is protectionism for one is a cheap supplier for another.

Japan denies us access to its markets. Therefore, reciprocity is important. I urge my hon. Friend to change the rules for such countries to ensure that they open the doors so that we can have the same facilities in their markets as they have in ours.

It is also said that there is a need for other developed countries to share the responsibility of accepting imports from low cost countries, and the United States in particular is the offender here because it has adopted an extremely restrictive attitude to textile and clothing imports, while Community tariffs are among the lowest in the world. The relevant percentages for wool fabric are in the EEC 30 per cent. and in the United States 45 per cent. Several hon. Members have said that everybody has to jump when the United States takes a decision. That is an unpleasant economic fact of life, and in these negotiations we should try to change it.

An important point is that in negotiating MFA 4 it is essential, as others have said, that we negotiate arrangements in such a way as to maintain confidence in the textile and clothing industries, to sustain a high level of investment. Such investment is essential to increase the use of new technology and improve productivity so that these industries can compete with newly developed countries on an equitable basis. As part of this process, the European Commission must ensure fair treatment for textiles and clothing firms throughout the Community. We have heard about the unfair arrangements that have existed in the past as between ourselves and Belgium, Italy and France.

I welcome the statement made by my hon. Friend the Under-Secretary. It is the start of a long road, with some long and difficult negotiations. We are all against protectionism in principle, but in practice we have to accept it in one form or another. We must roll up our sleeves and compete in the market place. It is no longer good enough for Britain to play cricket and to play the straight bat while letting everybody else get away with murder, which is what has happened in the past.

I have another example from my constituency. S. Lyles is a firm of yarn spinners in Dewsbury. It complains about competition, not from abroad but from Scotland because of the regional assistance in Kilmarnock. The hon. Member for Kilmarnock and Loudoun (Mr. McKelvey) has spoken today. The firm in my constituency is competing with a yarn supplier called William Dawsons and Sons Ltd., a well-known firm that has set up a factory in Scotland and is manufacturing yarns unfairly because it is competing with an unsupported manufacturer in Dewsbury. These are the kinds of problem which have to be wrestled with both domestically and world wide. I wish the Minister every success.

9.5 pm

Mr. Stuart Holland (Vauxhall): If the House is honest with itself, and to a considerable extent I think that it has been so during the debate, it is faced with a dilemma over the multi-fibre arrangement, a dilemma which in some cases poses the conflicting interests between the less developed regions of this country and the less developed countries of the world economy. But the issue is not that simple. The panacea offered by the hon. Member for Yeovil (Mr. Ashdown) of a golden dawn, as though he has the answer whereas other hon. Members have not, is misleading and mischievous. The multi-fibre arrangement is not a perfect instrument. In fact, it is rather blunt. It may not even be an instrument which can be perfected for the regulation of the textile and clothing trade. It is a means of coping with particular circumstances in the industry, and it should be varied over time in accordance with changes in trading conditions and other policy priorities.

Several hon. Members have referred to the fact that the increase in imports to this country has been especially from European countries rather than from the less-developed countries. It is also important, as several Opposition Members have stressed, that the overwhelming share of the imports from so-called less-developed countries come from the newly industrialising countries and that up to four-fifths of those imports are from the newly industrialising countries. It is understandable that many hon. Members feel that we do not owe some of those countries a permanent living, not least in view of the fact that in terms of gross domestic product per head the real earnings of a bus driver in Hong Kong are higher than the real earnings of a bus driver in London. This point was made by the hon. Member for Hertford and Stortford (Mr. Wells) who was foremost among Conservative Members in arguing the case for the less-developed countries. Gross national product per head in Hong Kong and Singapore is higher than the GNP per head in Portugal and is more or less the equivalent of that in Greece. Therefore, we are not referring to the least and lesser developed countries. We are referring to intermediate, modernising countries which

do not enjoy the liberal political or trade union conditions which are enjoyed in Greece, after the colonels, and in Portugal after half a century of dictatorship.

Mr. Richard Wainwright: Will the hon. Gentleman give way?

Mr. Holland: No, it is very late in the debate, and although I should be perfectly willing to give way, may I point out, with respect, that the hon. Gentleman has only just come into the House.

The problem over the case for liberalisation, as argued by the hon. Member for Yeovil, is that it can in no way guarantee a shift of imports towards the lesser and least developed countries. We simply could not guarantee a shift towards the lesser and least developed countries by liberalisation. It is not only a question of a new international division of labour. Reference has already been made to the very low labour costs in some of the countries concerned, which are one-fifth, or less, of those in Europe. But we also have a multinational division of labour in which many enterprises are using production platforms in some of the least developed countries of the world and combining them with modern methods of production. Therefore, competition is not on wage costs alone.

That is a special problem in the case of Bangladesh. It is right that we should be concerned about Bangladesh, which is one of the half dozen poorest countries in the world, but now is having a certain amount of success in some categories of textile imports to this country. I do not believe that Bangladesh can be included in the same category as Hong Kong. They are poles apart. Also, a problem may be posed for the authorities in Bangladesh as to the terms and conditions upon which multinational companies are allowed to operate in Bangladesh.

There is therefore a case for a development dialogue with the lesser and least-developed countries, with a view to achieving trade agreements with them which safeguard their interests to a greater extent than would a simple automatic renewal of the multi-fibre arrangement, granted especially that the MFA is an unbrella agreement which allows for a series of bilateral agreements and deals within it.

The harmony of interest case through liberalisation is a fantasy. Free trade is not automatically fair trade. Nor do equal conditions for competition mean competition between equals. Unqualified liberalisation would mean that the weaker, less developed countries helped the stronger as production platforms, while stronger, newly industrialising countries help themselves to final markets in the developed countries. That is why we need not only a renewal but also a reform of the MFA to help the lesser and the least developed countries.

9.10 pm

Mr. Martin M. Brandon-Bravo (Nottingham, South): I join in the cautious welcome for today's statement by my right hon. Friend the Minister. I hope that we can press him to firm up over the coming weeks and months. I also declare an interest—32 years of interest in the industry in my constituency and area of Nottingham.

As never before we must speak for employment and jobs in the United Kingdom in general. We must speak up for employment in the broad sweep of our own textile industry. I do not mind being parochial. I would be more than happy to speak for employment in the east midlands, which is so heavily dependent on textiles.

I know that the original perception was that the MFA should not be a permanent mechanism. Like so many ideals we have to say that perhaps it seemed a good idea at the time but much has changed and we must address ourselves to this matter against a level of unemployment that did not exist at that time. It would be madness not to recognise that. Our people would not forgive us if we did not. They would be justified in not forgiving, and we must take the matter on board.

There is a common misconception of the industry—a misconception light years away from truth and reality. The industry is not a single one but is many; it is spinning, weaving, knitting, dyeing and finishing, printing, narrow fabrics, lace — all industries in their own right, long before the public perception of the industry, garment manufacture, even begins.

There are legions of secondary industries that do not readily spring to mind as being connected with textiles, but they exist and they depend on it. They may be inter-related. Without a garment trade there would be no need for the fabric trade, unless some well-meaning theorist —the House has many on both sides—imagines that the whole structure could somehow sustain itself and survive solely on exports. If people believe that, they will believe anything.

I am well aware that it sometimes suits a garment manufacturer to buy fabric from abroad in order to meet the demands of an ever-changing market. By so doing he is at least retaining the main labour-intensive part of the cycle. It is because I believe in flexibility of choice within the cycle of the manufacturing process retained in the United Kingdom that I feel so strongly about the retention of the MFA.

In emphasising the manufacturing side of the equation, it would be wrong to ignore the role to be played, for good or ill, by the retail trade. The retailer cannot be blamed for seeking to buy in the best market. If that advantage is passed on to the customer, I acknowledge the benefits, certainly in the lower prices. But what is the long term cost in employment or in ultimate price?

The recognition of responsibility to British-made goods and what that means for jobs and spending power cannot be greater exemplified than by our largest retailer, Marks and Spencer, without which it is no exaggeration to say there would be no textile industry in Britain. But for it and other retailers who operate policies of varying degrees of loyalty to their suppliers there is a mutual need to preserve a manufacturing base. It is no rare thing to budget for shared purchasing between imported and home-based products for the protection of lines of supply, or just to have a home-based supplier to turn if, as they say, the sun shines, and economics be damned, the cash registers will tinkle away like mad.

On the manufacturing side of this industry the giant names in the trade are well known. In coming to the House I gave up an executive role within our own parent group, Readson of Manchester. That group, with units all over the United Kingdom, employed approximately 3,500 people in 1979. It now employs just over 3,000 people. Thus there has been a drop of 14 per cent. as compared with the industry average of 26 per cent.

Notwithstanding the climate, the group proudly claims a turnover of £85 million, and last year put £1·75 million

[Mr. Martin M. Brandon-Bravo]

into new equipment. I say to the Minister that that investment must not be put at risk. Investment in computer design and fabric utilisation—which sadly had to be imported—amounted to a mere £100,000 and went to assist a group of three units employing 450 people. A simple matter such as the installation of mechanical cutting equipment for a team of 150 people meant an investment of £65,000.

I have given those two simple examples not merely to bang the drum for my own group but to try to illustrate that we have not sat on our bottoms, cried our eyes out or demanded handouts or massive protection from the Government. We have responded to the stiff breeze that my right hon. Friend the Prime Minister has rightly caused to blow through British industry. We say to my right hon. Friend the Minister today, on our own behalf and on behalf of the rest of our industry, that we have done our bit. We are still doing our bit, and the Government must now play their part in the renegotiation of a good MFA agreement. This vital industry has been slimmed down to such a point that we cannot allow it to be slimmed down further. In a climate of full and flexible employment there might—I say "might"—be a case for less protection. In the present climate, our greatest duty is to our own. We must have this agreement and we must reserve to ourselves the right to do what is in the best interests of our people in the circumstances, and as the future unfolds.

9.16 pm

Mrs. Ann Winterton (Congleton): I begin by giving credit to both workers and management in an industry that has experienced major upheavals in recent years, and that has as a result surfaced leaner, more highly productive and much more competitive.

I intend to concentrate briefly on the fallacy that the MFA has raised prices on the United Kingdom market by restricting access to low-cost imports with the result that retail clothing costs are higher—some wrongly claim by as much as 20 per cent.—than they would be if the MFA no longer existed. It is also claimed by some that the MFA has restricted choice in the United Kingdom market.

But it is essential to consider the situation from the consumer's point of view in any reasonable discussion of the future of the MFA. Contrary to the false claims of those who suggest that the United Kingdom textile market is over-protected, the evidence shows that textile and clothing prices in the United Kingdom have been subjected to an effective restraint through a combination of competitive pressure and the effects of the general recession.

Between January 1974 and December 1984 the retail prices of all goods rose, on average, by 267 per cent. For clothing, textiles and footwear, the corresponding increase was only 118 per cent. In no other group of products or services have prices risen less quickly than in textile and clothing. Such reductions in real prices have been brought about despite the rising charges for raw material and fuel that have been experienced by industry as a whole.

There have been staggering job losses in the industry with wholesale factory closures dealing further blows to the north and north-west regions of the country, which between them account for 39 per cent. of all textile employment, with the east midlands, partly represented by my hon. Friend the Member for Nottingham, South (Mr. Brandon-Bravo), accounting for a further 20 per cent. But the north and north-west desperately need renewal of this orderly marketing agreement if they are not to be left reeling under a still greater burden of unemployment and economic hardship.

But the industrial recession has not just cost jobs in the textile industry; the suppression of price increases has had a similar effect on the earnings of those employed in that sector of our economy. Such workers must look with envy at the massive pay rises, superlative redundancy payments and cast-iron guarantees of life-long employment that have recently been given to workers in the nationalised sector. I refer, of course, to the coal industry. The earnings of those employed in the textile industry have fallen in real terms, and in relation to the earnings of groups of other workers. Clearly the MFA has not led to inflationary wage settlements. The opposite is the case.

In the context of falling prices, reductions in real wage levels, increases in per capita productivity and better marketing techniques, we must ask whether the removal of the MFA would reduce prices much further. It is difficult to believe the accusation that the consumer's choice of textile products is restricted in the United Kingdom. No evidence of market scarcity in any United Kingdom product category has been produced. Indeed, the British market is renowned for its wide range of choice and the flexibility with which it adapts to changing fashions and demands.

In addition, it is claimed that families are disadvantaged by the MFA because they spend a higher percentage of their income on clothing and because supply countries prefer to fill their quotas with adults' clothes rather than children's clothes, for which they receive less revenue. Figures produced by the Department of Employment in the family expenditure survey suggest that low-income families spend less on clothing than other households and tend to spend less of their income on MFA products than better-off families.

It is said that adult clothing is exported in preference to children's wear. The evidence is not compelling. Prices for children's clothing have risen slightly faster than the prices for all clothing and footwear, although they have risen much slower than prices overall. It is unfair to suggest that the increases are a result of the MFA.

The MFA has not limited choice for the consumer. It has not restricted quality or the volume of supply. It has not artificially raised prices, and it has not adversely affected poor income groups.

For the British consumer, for the British textile and clothing industries and for our economy, renewal of the MFA is essential. I welcome my right hon. Friend's statement and his commitment to the renewal of the MFA. I urge him to nail his colours firmly to the mast in the forthcoming renegotiations.

9.22 pm

Mr. Bryan Gould (Dagenham): As my hon. Friend the Member for Oldham, Central and Royton (Mr. Lamond) said, the number of hon. Members who have taken part in the debate and the depth of concern which has been demonstrated illustrates strikingly hon. Members' recognition of the industry's importance.

A number of pertinent statistics have been repeated several times. I make no apology for referring to them again. The industry employs 500,000 people. Employees often live in regions which are disadvantaged and belong

to social groups which have problems finding employment. The industry provides 9 per cent. of all employment in manufacturing. The industry's foreign exchange earnings were £2·7 billion last year—almost as large as the highly regarded earnings by the financial sector. As my hon. Friend the Member for Burnley (Mr. Pike) said, the industry's sales of £10·891 billion last year are worth more than a third of the earnings of the aerospace industry and its value added is more than that of the motor vehicle industry.

My hon. Friend the Member for Huddersfield (Mr. Sheerman) and others said that the textile industry has suffered substantially in recent years with the rest of manufacturing industry. It has suffered from a range of Government inspired factors such as low demand, high interest rates and, most damaging, an over-valued exchange rate. As a consequence the balance of trade in textiles has deteriorated sharply. The deficit last year of £2·2 billion was 35 per cent. worse than in the previous year. Output has fallen, employment has halved in 10 years, and import penetration has increased substantially and was up 8 per cent. in 1984 over the previous year. There are those who say—this has been suggested in muted tones during the debate—that the past has been sold and that there is no future for Britain as a manufacturing nation in general and in textiles in particular. The Opposition firmly reject that view, and I am glad that we have the support of so many Conservative Members. We believe that textiles are an important part of our manufacturing base. We shall depend on that base and the textile industry for our national wealth once North sea oil is depleted.

We do not believe that textiles are a sunset industry. Indeed, the industry has done a great deal to improve its own productivity and has invested substantial sums to that end. The industry has remarkably good labour relations and it can hardly be said to overpay its work force. As the hon. Member for Congleton (Mrs. Winterton) said, the real wage of the male worker in the textile industry has fallen by 4·7 per cent. since 1979. That provides an excellent test of the current theory that if we were only to reduce real wages employment would miraculously appear. As my hon. Friend the Member for Bradford, West (Mr. Madden) said——

Mr. Peter Thurnham (Bolton, North-East) *rose*——

Mr. Gould: I shall not give way to the hon. Gentleman, as my time is limited. My hon. Friend observed that the textile industry and textile workers especially have tested the theory to destruction.

The textile industry has not languished behind a protective barrier growing rich and lazy. We need now the clearest possible commitment to the industry's future. As well as the Minister's welcome statement this afternoon, we need resolute action. We need a Government who will fight as hard for the interests of our textile industry as every other Government will fight for the interests of their textile industries. This is no time for unilateral trade disarmament, on which we sometimes hear worrying observations. This is no time for a free trade theology. That must not be allowed to override hard, practical considerations. We need the most robust attitude from the Minister. We need an industry that is protected and consequently strengthened, and nothing else will do.

The argument about the MFA is sometimes presented as a clear choice between the arrangement or something approaching free trade. Many of those who have contributed to the debate have said that that is a fallacy. That is not the choice. If we were to withdraw from the arrangement, or if it were to disappear altogether, we would not arrive miraculously at free trade conditions. The United States would remain strongly protectionist and the state trading nations would not play the free trade game. What I describe as the predatory trading nations would press home what is in some instances an unfair market advantage. If we were to weaken the MFA or bring it to an end, the result would be the very antithesis of free trade. If that were to happen, we should enter a jungle. The issue is not confined to the arrangement or free trade.

We have a choice of chaos or regulation, and the Opposition will opt for regulation—[HON. MEMBERS: "What about article 19 of the GATT?"] My right hon. and learned Friend the Member for Monklands, East (Mr. Smith) dealt with that issue extremely effectively earlier in the day. That remains a major threat to the very trade that presumably Conservative Members are interested in maintaining.

Even if free trade were an option, it is doubtful whether some of those who advance the free trade argument would take it up. It is argued that, if only we were to get rid of the protective barrier, British industry would become more efficient and would match competition more easily. It can be said with some confidence that that view is to be rejected. It has been tested because we have some experience of an industry which has been opened up to competition. We know the consequences of that in the textiles industry because it has been opened up to that competition. We have no protection against the textiles industries of the EEC. The consequence has been that EEC imports have risen by 70 per cent. in the last few years. As has happened in many other industries, that has meant substantial losses of production, output and employment.

The record shows that, faced with such powerful competition in the real world rather than in the comfortable theoretical world, British industry does not become more efficient. That is an awkward fact, but it is true. Instead, large chunks of it simply go out of business because they cannot match the competition. That is what would happen if the MFA were abandoned or weakened, and we do not want that to happen to an even greater extent than it has already happened.

This is hardly a matter of controversy, because so much is frankly admitted by Professor Silberston. It is extraordinary that the Government should have been so tactically inept as to publish the report now and make absolutely inevitable the opportunity for their opponents across the negotiating table to quote happily from it whenever the Minister seeks to defend British interests.

It is important to understand what the Silberston report says. The professor does not dispute that there will be job losses, although he is in some doubt about the number. The Liberal party also accepts that point, judging by the speech of the hon. Member for Yeovil (Mr. Ashdown). The hon. Member for Rochdale (Mr. Smith) made a valiant effort to claw back that position. However, as I understand that he does not take the Whip, we must assume that the position stated by the hon. Member for Yeovil is that of the Liberal party. We shall study that with some interest.

Silberston says that there will be some job losses but that in some miraculous way they will be transmuted into job gains elsewhere. It is an improbable deal that he offers

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to the textile industry—in return for immediate, direct and certain losses of jobs, output and investment, there may be some highly theoretical possibility of a diffuse gain somewhere or other in the economy at some unspecified time in the future. That is hardly a deal to commend itself to a textile worker in Bradford or Huddersfield.

It takes leave to doubt the Silberston report and its conclusions. The methodology employed is extremely unconvincing and has rightly attracted censure from many objective commentators. Indeed, even Professor Silberston was prudent and cautious and he wrapped his conclusions round with a whole range of caveats and qualifications. He said that he had considerable reservations about his conclusions.

The report substantially understates the jobs losses that may flow from the abolition of the MFA because it takes an unduly pessimistic view of the job losses that would occur in the industry even with the MFA. I do not believe that the future of the industry is as bleak as the professor maintains. Certainly, when the Labour party returns to power it will create a climate that is much more favourable to manufacturing industry, and the textile industry will be part of that increased prosperity. Therefore, there is no ground for such pessimism.

As many hon. Members have said, the professor overstates the fall in prices that might flow from the ending of the MFA. The scope for a fall in prices is extremely limited. The industry produces a range of commodities whose prices have shown the smallest increase of any item in the RPI during the past 10 years. During the decade from 1974, whereas prices generally rose by 267 per cent., textiles, clothing and footwear prices rose by just 118 per cent.

There is no margin for further price cuts. If the imported price fell because of the ending of the MFA—which is doubtful — all that would happen is that margins would rise. The effect would be so small as to be meaningless, and the notion that it might have a macro economic effect on the economy is ludicrous. Even if it were to have such an effect, the stimulation to the economy would be more than offset by increased unemployment and reduced demand in the short term.

Professor Silberston substantially misunderstands what would happen to the exchange rate in such circumstances. The Cambridge econometrics group derived most of its favourable consequences of what was proposed from its view of what would happen to the exchange rate. However, the exchange rate will not be so sensitive to a worsening of the balance of payments because of the removal of the MFA as to fall substantially and thereby increase our competitiveness, so that we suddenly start selling exports all over the world. The exchange rate does not operate like that, as we have all seen in recent years. It does not reflect such matters in the market place; it reflects monetary practice, interest rates, capital flows and so on.

Mr. Ashdown: Will the hon. Gentleman give way?

Mr. Gould: No. I am sorry, but I do not have time.

It is significant that the industry—both employers and trade unions — is united in condemning the Silberston report and in supporting the case for a new and effective MFA. We accept that argument and strongly support that case. We need a new MFA. What matters is not that, but what shape the new MFA will take. We need an MFA that operates better, not necessarily because it is more restrictive, but because it serves the interests of this country more efficiently.

As my hon. Friend the Member for Vauxhall (Mr. Holland) pointed out, an effective MFA would not only serve our interests. It would be the best means of guaranteeing the interests of less developed countries. Countries without the guaranteed access that an MFA provides would not be able to compete with dominant suppliers. The less-developed countries would find that, without that access, their industries would be destroyed.

Therefore, we are looking for a new MFA that guarantees that access and provides more generous quotas for countries that need access to our markets. We also need a social clause to protect workers in those countries against exploitation and low wages, so that as their industries develop, on the basis of that guaranteed access, the workers, and not foreign providers of capital, will derive the benefit.

We recognise that countries such as Hong Kong and Singapore have opened their markets to produce from around the world, including this country. It would be right to try not to discriminate against those newly industrialising countries.

There is some justice in the Hong Kong claim that the effect of restrictions has simply been to make room in our market for more EEC imports. That is indisputable, but the problem is that the rise in EEC imports is a consequence not of the MFA, but of our inability to take measures to deal with that flood of imports.

In textiles, as in other areas, a Labour Government will have to grapple with that problem when we return to office.

This is not the time to look at the detail of the negotiations, but I ask the Minister to note carefully the fact that we want a longer term for MFA 4 than I believe he is contemplating. A renewed MFA that expired when the GATT talks came to an end would not be good enough. We want an MFA in which import quotas are fixed at 1985 levels. If that were the case, we could do away with the anti-surge mechanism. We need a more effective mechanism to replace the basket extractor mechanism. We also need at home more resources devoted to dealing with fraud and quota evasion.

We do not expect the Government to reveal fully their negotiating position. But we want a clear and strong statement. We are worried by what appears to be a lack of firmness and conviction in what the Minister said. In our view, he showed too great a readiness to make concessions in advance of the negotiations. We shall watch very closely what he does in these negotiations because we believe that, after all the damage that his Government have wreaked upon the industry, any failure of conviction or determination in pursuing these negotiations would be a further and quite unnecessary blow.

We want a stronger statement. We want strong action. I hope that the Minister of State will take the opportunity to dispel the remaining doubts about the Government's firmness of purpose and make clear their determination, in which they will have the Opposition's full support, to maintain this vitally important British industry.

9.41 pm

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): This has been an extremely lively debate in which there has been a certain amount of disagreement but not necessarily along party lines. We have had some notable constituency speeches, and some notable speeches from hon. Members who have represented the consumer interest, with no specific industrial interest in their constituencies. We heard a splendid speech from my hon. Friend the Member for Macclesfield (Mr. Winterton). My hon. Friend the Member for Hyndburn (Mr. Hargreaves) reminded us of the slogan, "By Lancashire's thread hangs Britain's bread", which was the answer to the single hon. Member who sought to imply that the problems of the textile industry were only of very recent origin.

There has been a certain amount of tilting at windmills in the debate. As soon as my right hon. Friend said that there was to be another MFA, I fear that some of the speeches prepared by Opposition Members did not quite have the perorations intended.

My right hon. Friend made it clear that we wanted another MFA, albeit a more liberal one, and that we wanted the longer term future of the MFA to be examined in the context of the GATT negotiations.

I agree with the hon. Member for Dagenham (Mr. Gould) and with my hon. Friend the Member for Macclesfield about the importance of the textile industry. I shall not go over all the statistics repeated again and again about exports and the proportion of manufacturing employment. This is a huge manufacturing industry and an extremely important one. No Government could be indifferent to its enormous employment. The Government do not regard it as a sunset industry. It employs so many people that it has to compete. By using modern technology, concentrating on good design and perhaps moving up market, I am sure that there are many areas of the industry where we can be fully competitive without protection. That has been said to me again and again by industrialists. There are areas where they are competitive in world terms.

Such disagreement as there has been has not been about whether there should be a multi-fibre arrangement. It has rather been about the tightness of a future MFA. My right hon. Friend made his view clear that we would like a more liberal one. We cannot accept that it should be longer than four years. Four years has been the life of MFAs in the past.

A number of hon. Members contrasted the theory of free trade with the practice in the real world. I emphasise what was said by my right hon. Friend and underlined by my hon. Friend the Member for Skipton (Mr. Fox). Only if we get concessions in the GATT negotiations will we go further with liberalisation. We have a great deal to gain by getting concessions from other countries, but we shall not offer them in advance. We are using them as a bargaining counter.

I agree with the point made by my hon. Friend the Member for Skipton about distinguishing between unfair and unwelcome competition. Not all competition from low-cost countries is unfair. Industrialisation is a rough business, and it is by exporting to us that the poorer countries will make themselves richer and improve themselves.

The hon. Member for Rochdale (Mr. Smith) was one of the few Members who mentioned what might have been thought to be an extremely important question—that of China. China is a huge potential supplier overhanging the market and is a subject of enormous worry, but I can at least give the assurance that China, a member of the MFA although not of GATT, will continue to be treated as a state trading country. Therefore, regardless of what happens in the MFA negotiations—or GATT, while she is not a member—China will continue to be subject to special negotiations and arrangements such as those applied to state trading countries.

My right hon. Friend said that we favoured some liberalisation of quotas. An important question is whether different sectors of the industry merit different treatment under the quota arrangements. The industry has said that each sector contains a range of products of enormous variety and that the different sectors are interdependent. As my right hon. Friend said, we take the view that some quotas should be dispensed with and others substantially relaxed. We intend to concentrate liberalisation on those areas where the cost to the economy as a whole of protection is greatest, but we shall be consulting the industry and hon. Members about the details.

It has already been made clear to us that quotas on textiles can damage the prospects of our clothing industry. One example that came to my attention recently was that of a leading United Kingdom garment manufacturer which had to close one of its factories after quotas were imposed on imported yarns which it used substantially. A dyeing and finishing plant shed jobs because import quotas meant that it was unable to obtain sufficient quantities of undyed fabrics. Examples of that sort demonstrate that restraints on textiles can hurt our clothing industry. In many instances our clothing, weaving, dyeing and finishing industries are less competitive than they could be, and are operating below their potential because of the restrictions on textile imports.

Several hon. Members mentioned the practices of the United States of America. My hon. Friend the Member for Keighley (Mr. Waller) referred to the high tariff on woollen goods, which we regard as quite unsatisfactory. One cannot, in making comparisons, do so product by product or industry by industry. The United States in general is a relatively low tariff country but, like every country, it has some areas of anomalously high tariffs. We have said publicly that it is our intention on the GATT round to seek a reduction in the anomalously high tariffs.

A crucial factor in the renegotiation of the MFA will be the attitude of the United States. I take the point made by the hon. Member for Oldham, Central and Royton (Mr. Lamond) and others that if the United States is restrictive there is a danger of a diversion of goods from there into this country. We have to take account of that in the negotiations. In discussing what sort of quantitative restrictions and what sort of quotas there might be, we have to take account of what the attitude of the United States is likely to be.

My hon. Friend the Member for Macclesfield made an interesting point about the diversion argument—whether the effect of the MFA was to cause diversion and increase imports from the EEC. The hon. Member for Dagenham also pursued that point. I agree with my hon. Friend up to a point, but it is an argument that can be much exaggerated, and probably many of those exports from Europe would have increased anyway because there were

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other factors tending in that direction. However, there is undoubtedly an area of overlap between some of the MFA countries and some of the European countries. For example, Hong Kong is moving up-market and competing to an increasing extent with European countries. There may have been an element of diversion, but it should not be exaggerated.

I do not agree with those of my hon. Friends who have referred to the consumer lobby in slightly disparaging terms. Of course we must represent constituency interests, but the national interest includes consumer as well as industrial interests. As my hon. Friend the Member for Aberdeen, South (Mr. Malone) said, we must strike a balance between consumer and producer interests. It was necessary that the consumer's voice should be heard in the debate, and I was very pleased that my hon. Friends spoke out for the consumer loud and clear.

On the question of the Silberston report, we were diverted by the two speeches from the Liberal Bench. We are accustomed to hearing the alliance speak with different voices, but on this occasion the ranks of Tuscany themselves were divided.

Mr. Ashdown: The Minister should look behind him.

Mr. Lamont: The Liberals really resembled the mugwumps, with the mugs on one side of the fence and the wumps on the other. The hon. Member for Yeovil (Mr. Ashdown) made a brave speech, but it did not seem to slip down like a dozen oysters with his hon. Friend the Member for Rochdale.

I listened with interest to some of the comments made about Professor Silberston. Professor Silberston is far from being a doctrinaire free trader. His background is in industrial economics. I listened with interest to what the right hon. and learned Member for Monklands, East (Mr. Smith) said about Professor Silberston, especially as a Labour Government appointed him to the board of the British Steel Corporation. Presumably that Government did not consider him so very wild. We should not lose sight of the fact that Professor Silberston concluded that we needed another MFA. It is not wrong for the Government to ask someone to examine and attempt to quantify the costs of the MFA. If people have confidence in the case for their industry, they should not object to an examination of it and an assessment of the costs.

In one sense, this is history. The Government have made their decision. We have announced that there is to be another MFA. I would not wish to get hooked on any particular statistic from the Silberston report. However, Professor Silberston estimated the cost of protection per job at about £10,000 to £40,000 per annum. He compared that with our ceiling of £10,000, once and for all, in our regional policy. If Opposition Members are right to say that Professor Silberston has underestimated the employment protection effect of the MFA, the cost per job must be far greater than is suggested in the report.

Opposition Members may believe that it is right to pay the price of having an MFA. They may believe that the MFA is worthwhile. However, it is surely right that we should examine it, and attempt to calculate the cost. If there is a cost, it seems likely that there will be an effect on employment. That was one of the central points in the report. However, Professor Silberston recommended that there should be another MFA because of the hardship and the degree of adjustment that the clothing and textile sector had already faced. That has been a major consideration in the Government's decision to have another MFA.

We want to move in a more liberal direction. We recognise that the industry has suffered enormous pains of adjustment in the past few years. We want to examine the MFA in the context of GATT, and, provided that we can win real concessions from other countries, we will try to make it even more liberal. That prize is well worth pursuing. No country has more to gain than us from the further liberalisation of world trade. We hear much about restrictions on trade, but our managing to export about 30 per cent. of gross domestic product, which is probably a higher proportion than that of any other country, shows that we are pretty good at overcoming many of the obstacles.

As the hon. Member for Vauxhall (Mr. Holland) said, there are many countries which are no longer among the poorest, such as Korea and Taiwan, which have high tariffs and considerable restrictions, although their economies are becoming strong. As the hon. Gentleman said, gross domestic product per head of population in those countries is close to ours. We ought to use our position in the MFA to get concessions from those countries.

Decisions on the MFA are likely to be of key importance for world trade. If we do not have liberalisation in textiles in the forthcoming negotiations, it is difficult to see how we can achieve any worthwhile results in the round of GATT negotiations. Textiles and clothing account for one quarter of the exports of manufactures from developing countries. We can hardly expect them to make concessions in trade if we start by blocking the goods which are most important to them.

I hope that part of what I have said is the answer to those who have asked why the process of liberalisation starts with textiles. The industry has enjoyed the protection of the MFA for some years.

Mr. Robert Hughes *rose*——

Mr. Lamont: It was always implicit that that protection should be temporary. The industry has had a lot of time to adjust. Indeed, it has adjusted recently. There has been a fantastic restructuring. Companies such as Illingworth Morris, Vantona Viyella and Courtaulds have done a remarkable job and dramatically improved their profitability so that they are now among the strongest companies in the world.

There has been some argument about the impact of the MFA on developing countries. It is sometimes suggested that, because some of the quotas under the MFA have been under-used, the MFA does not harm developing countries. However, any country will have a spread of quotas, some of which might be used more than 90 per cent. and some of which might be very much under-used. A country such as Bangladesh might well prefer to export a much larger volume of some goods and not have quotas on some other goods in respect of which it is not competitive. In that way the MFA has done some harm to developing countries. We believe that an MFA should help the poorest countries. Whatever the pros and cons of the argument might be, there is no doubt that the developing countries think that it damages them because they continue to press for the ending of the MFA. In Mexico last month, the countries

representing them again confirmed their commitment to the full application of the normal rules and principles of GATT to textiles and clothing.

My right hon. Friend the Minister for Trade set out the Government's view of what our initial stance in the negotiations should be. I have already referred to the GATT round, in which context we believe these matters should be considered and tackled. But first we must negotiate MFA 4. We accept that some quotas should go and that others should be increased significantly. The details will receive careful analysis later, but one important factor should be the extent to which industrial users of products subject to quota are inhibited by current quota levels from taking full advantage of their international competitiveness and expanding accordingly. That will help the consumer too.

As for the exporting countries, we want to be especially liberal towards the poorest and those which accept their GATT obligations, but much less so to the better-off developing countries unless and until they recognise their obligations to open up their markets. The Community must arrive at a common view on the MFA and GATT. The matter must then be negotiated with the other signatories. We are only at the beginning of the process. The MFA does not expire until July 1986. The bilateral agreements that the Community have negotiated need to be renegotiated by the end of 1986. We intend to keep the House informed of major developments in the negotiations as they progress. We shall also keep closely in touch with the textile and clothing industries and all other interested parties.

Mr. Mark Lennox-Boyd (Morecambe and Lunesdale): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

STATUTORY INSTRUMENTS, &c.

Weights and Measures

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committee on Statutory Instruments, &c.)

That the draft Weights and Measures (Liquid Fuel carried by Road Tanker) Order 1985, which was laid before this House on 22nd April, be approved.—*[Mr. Lennox-Boyd.]*

Question agreed to.

Miss Thi Minh Bui

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

10 pm

Mr. Clive Soley (Hammersmith): I wish to draw the attention of the House to an important and moving human problem because Britain and the Government can help many refugees in Hong Kong and other areas. I shall give some of my time to my hon. Friend the Member for Monklands, West (Mr. Clarke). The hon. Member for Ynys Môn (Mr. Best) asked to be associated with the debate, but for good reasons, I am sure, he is unable to attend.

The question relates to the reunification of families of Vietnamese origin in the camps in Hong Kong and other parts of south-east Asia. The case came to my attention because two sisters, Miss Thi Nga Bui and Miss Thi Minh Bui, aged 23 and 19 respectively, live in my constituency. They arrived in the United Kingdom in 1981.

I recognise that no country, and certainly not Britain, which has a relatively small land space, can solve all the refugee problems of the world. However, we have a duty to act where we have particular responsibilities and if we can do something important both for humanity and to persuade other countries to act. I am supported in that view by a recent Select Committee report, from which I shall quote generously.

The two sisters left Vietnam, were picked up by a British freighter and taken to Brunei. From there they came to the United Kingdom. Their father, mother, three brothers and one sister—the children are aged 20, 18, 10 and eight respectively—left Vietnam about a year later and sailed directly to Hong Kong, where they were admitted to a closed camp.

Hon. Members without exception are disturbed by the existence of the closed camps. We recognise the pressures that there were on Hong Kong in 1979 and 1980 when 200,000 refugees left Vietnam. However, none of us can be anything but deeply disturbed by the camps. People in those camps cannot leave them, or go out to work. They rely on money sent to them by relatives and friends overseas and they own little or no property. My hon. Friend visited the camps more recently than I did, and he may wish to add to that.

We hear a great deal about the importance of family life, and we all accept that it is important. It is especially important to Vietnamese families, who are extremely close and rely greatly on each other for support. We should remember that we are a signatory to the Helsinki final act. Although it does not apply throughout the world, the spirit of it is what counts. If our commitment to it is true, we should allow the principles on which we signed it to guide us on family matters.

Until May 1981 families were reunited, but the policy was changed and brought into line with general refugee policy. The Select Committee and others, including myself, contend that that is unjust and unnecessary. It is generally accepted that verbal undertakings were given, although perhaps not by Government officials, that members of families would be reunited.

Mr. Barber, who is the director of the British Refugee Council, said this when he gave evidence to the Select Committee:

"In seeking to fill the quota, I think there is no doubt . . . that from the voluntary agency side . . . efforts were made to

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say that 'Of course, if close family members join you and come to Hong Kong later when you are already settled in Britain, then Britain will accept them.'"

The Select Committee concluded:

"Secondly, it is clear that many Vietnamese were given assurances in Hong Kong that if they came to Britain family members would be allowed to join them. When the quota of 10,000 was announced, there was some difficulty filling it, because refugees understandably preferred countries with larger Vietnamese communities and better job opportunities, and some Vietnamese may therefore have been persuaded to come to Britain by assurances of family reunion. We accept that no such undertakings were given with Government authority, but at the time when selection was taking place to fill the quota, Britain had wide criteria for family reunion and it would be extraordinary if the selecting teams had not mentioned this."

Lord Ennals, who is the chairman of the British Refugee Council, said this in evidence to the Select Committee:

"There is, of course, as the Committee will know, a continual policy of family reunions from those whose close relatives are still in Vietnam, and some of those who fled and went to Hong Kong now find themselves in the invidious position that had they stayed in Vietnam they might have been able to have been brought to Britain under the 'Orderly Departure' policy; having now arrived and taken all the risk of going by boat, they now find that they cannot be admitted to Britain."

The second important reason why we must reconsider the policy—it was emphasised by the Select Committee—is that if some family members are in Britain, no other country will consider other members of their family, who are trapped in the camps in Hong Kong or elsewhere. The Select Committee states in paragraph 16:

"Thirdly, and most importantly, Vietnamese who have close relatives in Britain will not usually be considered for resettlement by any other country . . . the problem should have been foreseen when the family reunion criteria were narrowed. These people are likely to remain in refugee camps indefinitely unless they are allowed to join their families in Britain."

That powerful point was emphasised and given more power by the hon. Member for Ravensbourne (Mr. Hunt) who, alas, but probably for good reasons, is not here tonight. When he questioned the Minister of State, Foreign and Commonwealth Office, he said:

"Because it is a fact, is it not, that unless we accept that liability, these people are destined to remain virtually indefinitely in these camps, because in view of their links with those already in the United Kingdom, no other country is going to come anywhere near to accepting responsibility for them? So that they are in a very special compassionate situation, are they not?"

The Minister of State replied:

"I think I would have to say yes to that. I agree with you."

That is a powerful argument for acting in the way that I have suggested. Given that the Minister of State, the Select Committee and a growing number of people inside and outside the House are saying that, we are obliged to take it seriously.

The third reason why it is important to reconsider the policy is that it is essential to bring together these families if they are to cope with the real problems of settling down to life in Britain. Divided families inevitably have greater problems than do united families, who can rely on each other. I have already said how especially important that is to the Vietnamese, although all of us would accept that it is important to everyone, regardless of race, colour or creed.

The inability to reunite the family makes resettlement difficult. I am supported in that by the Select Committee, which said, talking about the stress-related problems that some refugees have experienced:

"The principal cause appears to be the cultural shock of life in the UK after Vietnam; the realisation that return is impossible"

—

I wish to emphasise the next part—

"the sense of loss, concern and guilt for those left behind; the lack of an established indigenous group here to provide support, and the difficulties of communication."

These are three good reasons why the House needs to reconsider this policy.

Britain must give a lead. Another important argument for that is that there is good reason to believe that Australia and the United States and probably Canada, West Germany and France, would act to help us clear the 11,000 or 12,000 refugees left in the camps in Hong Kong. The Minister of State, Foreign and Commonwealth Office, said on behalf of the Department:

"It is our responsibility to take the lead, as the Department in the Government responsible for Hong Kong, and to try to find a solution to it . . . it must be a priority in terms of our responsibilities."

The Select Committee said:

"We are convinced that a new intake of Vietnamese from Hong Kong by Britain is indeed a 'pre-condition' to resolving the problem, and that no substantial progress can otherwise be made in emptying the camps."

I accept that Britain, and Hong Kong in particular, have made gallant efforts to help in the Vietnamese refugee problem, but we are talking about a relatively small number of people, probably only about 500. If we took the lead in their case, other countries would follow our example and help us to resettle these people. That would ease the burden on Hong Kong.

Britain has not been ungenerous, but the closed camps disturb all of us. The Select Committee called for the closure of these camps, and I identify myself strongly with that call. I ask the Minister to allow this family to settle in Britain. Will he reconsider the policy and change it? He could begin by allowing my constituents to have their parents, three brothers and sister come to live with them here.

It is deeply moving to think of people who have managed so well here on their own but who are in contact with their family only by letter. They are trying to send money to their relatives, but they have only a limited amount, as one is a student and the other is working as a waitress. It is extremely difficult for them and they are an example of the Vietnamese families struggling to manage here. We should be doing everything that we can to help.

I support the Select Committee recommendation that family reunion criteria should be relaxed in respect of Vietnamese in camps in countries of temporary asylum. I have said that this is why we should change the policy. The fact that they are in these camps means that they cannot be settled anywhere else if they have relatives in the United Kingdom. I support the Select Committee's call for the closure of the camps and the transfer of the inmates to open camps.

The Minister said that if Britain committed itself to a modest resettlement programme we would have a good chance of a reasonable response and good reason to expect it. We also have the help of the United Nations High Commissioner for Refugees, who would be more than willing to put pressure on other countries if we took this initiative.

I wish to leave time for my hon. Friend the Member for Monklands, West to speak, and I see that the hon. Member for Ynys Môn is here as well. I urge the Minister of State, Home Office to give this matter full consideration. I

should dearly like to tell the two sisters that they can have their family here to resettle with them. The least that I ask is that the Government urgently look at this policy again and consider changing it along the lines recommended by the Select Committee. They could take away the agony that has been going on for years for some people.

10.13 pm

Mr. Tom Clarke (Monklands, West): I am grateful to my hon. Friend the Member for Hammersmith (Mr. Soley), and the House will want to express its gratitude to him for the eloquent, lucid and dedicated way in which he presented his case.

Just over a year ago, my hon. Friend the Member for Hamilton (Mr. Robertson) and I had the opportunity to visit these camps in Hong Kong. To get to them, we had to go by helicopter, land on a prison site, go through the prison site, and eventually we found ourselves at our destination. We found there something which reminded me of factory units in my constituency. People had been there for a very long time, in some cases for four or five years. One little boy of seven is probably still there. Although we have endorsed the Hong Kong agreement and will be relinquishing sovereignty in 1997, we still have a responsibility for these refugees.

I am very pleased that my hon. Friend the Member for Hammersmith has provided the House with an opportunity to debate the matter, because I believe that the House wishes to support the reunion of this family. The Minister will wish to be reminded of recommendation 4 of the Select Committee on Home Affairs:

"A considerable degree of ministerial discretion should be retained in the granting of family reunion applications."

In that spirit I appeal to the Minister to respond positively to my hon. Friend. This case calls for consideration, compassion and concern. The Minister is capable of responding in that way. For that reason, I invite him to do so. I congratulate my hon. Friend on the determination with which he has pursued this admirable cause.

10.15 pm

Mr. Keith Best (Ynys Môn): The House is indebted to the hon. Member for Hammersmith (Mr. Soley) for having raised this matter. It is particularly appropriate because the United Nations High Commissioner for Refugees is visiting south-east Asia and Hong Kong. I speak as chairman of the British committee for Vietnamese refugees and receive very many family reunion applications which I pass on to my hon. and learned Friend the Minister of State, Home Office. I pay tribute to him for his hard work in trying to help these refugees, wherever possible. I am delighted that my hon. Friend the Member for Richmond and Barnes (Mr. Hanley), who did such sterling work on the Select Committee and in the preparation of its report, is in the Chamber.

I had the privilege of visiting these centres in January of this year. I visited Chi Ma Wan, referred to by the hon. Member for Monklands, West (Mr. Clarke), which is a closed centre. I met a woman who had been there for two years. She was unable to join her husband who is working in an open centre. That is a measure of the tragedy that is posed by this closed centre policy. It splits families in Hong Kong, let alone those who wish to come to this country to join their families. I visited also the Kai Tak and Jubilee centres. Hong Kong is doing the best that it can in the circumstances, but this country needs to make a gesture. It has already done so much to help refugees.

When I went to Hong Kong I found that only 434 people need to be accepted by this country. This means that 112 cases have close family links with people in this country. We appeal to my hon. and learned Friend to show humanity towards these people in the Hong Kong centres, many of whom have no chance of going to any other country. They can be accepted only by this country because they have close relatives living here who may be outside the normal immigration rules criteria. This plea for humanity is one which I know that my hon. and learned Friend and this Government will not reject.

10.19 pm

The Minister of State, Home Office (Mr. David Waddington): I congratulate the hon. Member for Hammersmith (Mr. Soley) on securing this Adjournment debate. Before I turn to the details of the case of Miss Bui and her relatives I think that I should set it in context by saying a few words about the camps in Hong Kong, how the present situation has arisen and about how British policy towards refugees has evolved in recent years. It is also appropriate for me to say right at the start that we as a country have nothing to be ashamed of in the way in which we have accepted refugees. I am grateful to my hon. Friend the Member for Ynys Mon (Mr. Best), who said that this country has already done much for refugees. The hon. Member for Hammersmith (Mr. Soley) said that we have not been other than generous. It is necessary to bear that in mind right from the start. We have no historic links with Vietnam, yet we have done a great deal to help to resolve this human tragedy.

When the Vietnamese boat people first began arriving in Hong Kong in the 1970s, they were settled in open camps and they were able to move freely within the territory and take employment. That remains the situation in the open camps today. However, because of the continuing large numbers of refugees arriving in Hong Kong and the pressures therefore imposed on a small crowded territory, closed camps had to be introduced in July 1982. They were set up by the Hong Kong authorities as a humane means of discouraging other Vietnamese from coming to Hong Kong and all refugees arriving in Hong Kong since July 1982 have been placed in them.

The result is that at present about half the 11,200 Vietnamese in the camps are in the open and half in the closed camps, and inevitably in the camps are relatives of people who have already found permanent refuge in Western countries, including Britain, separated perhaps from the other members of their family by the very circumstances of their escape from Vietnam.

When the number of Vietnamese refugees entering the United Kingdom was small, we operated a generous family reunion policy. Spouses, unmarried children under 21, parents and unmarried brothers and sisters under 21 were all allowed to come and join the person who had been admitted originally. But the House will remember that in 1979 we agreed to take a quota of 10,000 Vietnamese and by 1981 there were going on for 16,000 in this country.

Furthermore, that number was going to grow pretty quickly because of our obligation to accept boat people rescued by British ships and our willingness to take others direct from Vietnam under the orderly departure programme.

On top of that we had our commitments towards refugees of many other nationalities. It was in those circumstances that in July 1981 we announced new criteria

[Mr. David Waddington]

for the admission of relatives of those Vietnamese already accepted for settlement, and those new criteria meant in effect that people could come if they would have qualified to do so as dependants under the immigration rules.

That is the position today. We look carefully at all applications on an individual basis, but, unless there are exceptional circumstances, we apply what might be thought the not unreasonable and not unfair policy of admitting spouses and minor children and parents who can show the degree of dependency required under the immigration rules.

Now I come to the case of Miss Bui. She came here, it seems, in 1981. She is not alone in this country. She lives in a council flat with her sister and a cousin. But in a closed camp in Hong Kong are her parents, her three brothers and a young sister. She has applied twice through the British Refugee Council for those relatives to come here, but clearly they do not qualify under the criteria that I have mentioned.

Miss Bui's three brothers and her sister are certainly not dependants under the immigration rules, and her parents, both of whom are under 65, would also not be admitted if Miss Bui were an ordinary immigrant. They are not wholly or mainly dependent on Miss Bui and her sister, and it is doubtful whether, if they were to arrive in this country, Miss Bui and her sister would be able to support and accommodate them. I need not remind the House of the sensible maintenance and accommodation provisions which for long have been in the immigration rules.

I have every sympathy with Miss Bui's wish to be reunited with her relatives, but, as I have said, the difficulty is that they clearly do not come within the present criteria. However, there have been two developments since I last wrote to the hon. Member for Hammersmith about the case, and I can tell the hon. Gentleman now that as a result my mind is not closed on this case.

The first development to which I am referring is the recent report of the Select Committee of which the hon. Gentleman spoke. I heard him on the radio this morning making the point, which he repeated this evening, that if we were to take, as he put it, a percentage of people from the camps, the United States, Canada, Australia, Germany and France would take significant numbers also. Many of those countries have already taken refugees from Hong Kong and I am sure that the House will be delighted to hear that the Canadian Government have recently decided that this year, as part of their annual refugee programme, they will be taking 500 refugees from Hong Kong in addition to the 600 which they had already agreed to take. That means that this year they will take the same number as they took last year.

But no country has yet declared that a special gesture by this country would persuade them to take extra numbers to clear the camps. That must be borne in mind.

It must be remembered that other countries already have commitments to take Vietnamese refugees from other parts of the world apart from Hong Kong. The obvious example is Thailand.

However, the Select Committee's recommendation is that we should relax the family reunion criteria and that our willingness to do so should be used as a bargaining counter to attract offers of additional resettlement places from other countries, the the aim of reducing drastically te size of the Hong Kong Vietnamese refugee population. The fairly cautious way in which this recommendation is framed is, I think, a recognition that things are not necessarily quite as simple as the hon. Gentleman has said.

But we are now considering the Committee's recommendation very carefully and will be responding in due course. We hope to have the support of the international community in alleviating the plight of the Vietnamese refugees who are in Hong Kong and we shall maintain a continuing dialogue with the United Nations High Commissioner for Refugees and other countries with the aim of helping all these victims of an oppressive regime.

Clearly the hon. Gentleman will not be expecting me to respond to the Select Committee tonight, as a detailed response will be given in due course. But he obviously recognises that our response, when it comes, will have a direct bearing on the case of Miss Bui's relatives.

The other development that I should mention is that, before the Select Committee reported, I gave an undertaking to the BRC to review those cases in which applications for relatives in Hong Kong have been refused but where the BRC considers there exist exceptionally compelling compassionate circumstances. The BRC has provided us with details of a number of cases and Miss Bui's case is among them. Again, I cannot give the hon. Gentleman a decision tonight, but I can assure him that I shall review the case very sympathetically in the light of the BRC's representations and of what he has said so eloquently tonight. Once again, I am grateful to him for raising this most important matter.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes past Ten o'clock.

House of Commons

Friday 10 May 1985

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Orders of the Day

Sexual Offences Bill

Not amended (in the Standing Committee), considered.

New Clause 3

SOLICITING A WOMAN FOR SEXUAL PURPOSES IN A MANNER CAUSING NUISANCE OR FEAR

'A man commits an offence if in a street or public place he solicits women (or the same woman) for sexual purposes in a manner which causes nuisance or fear.'.—*[Mr. Soley.]*

Brought up, and read the First time.

9.35 am

Mr. Clive Soley (Hammersmith): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this, we may consider the following: new clause 4 — *Evidence of nuisance or fear*—

'An offence under section (Soliciting a woman for sexual purposes in a manner causing nuisance or fear) shall not be proved unless the person who has been caused nuisance or fear gives evidence of such.'.

New clause 7—*Section 32 of the Sexual Offences Act 1956*—

'The reference in section 32 of the Sexual Offences Act 1956 to a man persistently soliciting or importuning in a public place for immoral purposes shall be taken as applying to men soliciting women as well as men soliciting men.'.

Amendment No. 33, in page 2, line 1, leave out clause 2.

Amendment No. 40, in clause 2, page 2, line 3, at end insert

'in a manner that causes offence or nuisance to others.'.

Amendment No. 41, in clause 2, page 2, line 3, at end insert—

'(1A) The person or persons to whom nuisance or offence has been caused may be required to give evidence of such nuisance or offence.'.

Amendment No. 47, in page 2, line 8, leave out clause 3.

Amendment No. 52, in clause 3, page 2, line 9, after 'purposes', insert

'in a street or public place'.

Amendment No. 58, in clause 3, page 2, line 9, leave out 'her fear' and insert

'a woman of reasonable firmness to fear for her physical well-being'.

Amendment No. 59, in clause 3, page 2, line 9, after 'her', insert 'extreme'.

Amendment No. 60, in clause 3, page 2, line 9, after 'fear', insert 'for her safety'.

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Speaker. May I be so bold as to congratulate you on your selection of amendments to this important, complex and socially vital Bill? I notice that the amendments that you have selected so far take us only as far as clause 4. I understand that it is your provisional selection of amendments, and I wonder whether you intend later to select amendments on subsequent clauses.

Mr. Speaker: I selected the amendments yesterday after looking carefully at the Bill and the amendments that had been submitted. I see no reason to change may selection.

Mr. Marlow: Further to that point of order, Mr. Speaker. I was not suggesting that you should change your selection. I was being so bold as to congratulate you on what you had done so far, but as there are many amendments, and as I am not fully aware of how you approach the matter, I wondered whether you sometimes subsequently select amendments to later clauses.

Mr. Speaker: No. I carefully considered the amendments to other clauses, but I was unable to select them, for reasons that the hon. Gentleman will fully understand. I thank him for his congratulations on my selection.

Mr. Soley: We have been over the matters covered by the amendments, but I have made a major effort—to which you, Mr. Speaker, obviously responded — to make the amendments and new clauses different from those that we discussed in Committee. However, some of the principles that we debated then still stand. Our basic aim is to introduce safeguards into the Bill to reduce the dangers of wrongful conviction.

There are areas of agreement in the Bill. It is agreed that women have the right to go anywhere without fear of being harassed or molested. Many people want the Bill to achieve that objective, but the question is whether it will do so. There is also general agreement that there is a specific problem in certain parts of the United Kingdom, primarily one or two inner city areas where kerb crawling has become a major problem for residents and people using the public highway.

The points at issue are whether the Bill is an appropriate way to tackle those problems and whether the dangers in the Bill are greater than may be apparent to some people. I shall examine some of those dangers in discussing the amendments and new clauses that have been tabled by hon. Members on both side of the House.

There have been developments since the Committee stage that add weight to my arguments. The Under-Secretary of State for the Home Department will know that the 1361 Act was used in a recent case. He said in Committee that he did not like the idea of the rusty old blunderbuss of the 1361 Act being used. However, it was used fairly recently against a preacher who went out with the apparent intention of converting prostitutes. I am always rather worried about such actions. I am never quite sure who ends up converting who. Somerset Maughan's story "Rain" is a good example. The end result can be rather different from what the preacher anticipates in the earlier stages of the activity. Of course, society gets itself into the most appalling mess when it tries to legislate on the sexual behaviour of human beings. Many double standards become involved and we are all prone to adopt them from time to time.

[Mr. Soley]

In the case which I have mentioned, the preacher was bound over. The magistrates said that they accepted that he did not approach the lady concerned, who was a police officer, with any immoral intent. The chairman said:

"The manner in which he approached and talked to the police woman was not only unwise but likely to cause very serious offence if the woman police officer was a resident of the area."

There lies the danger. The preacher accepted that he acted unwisely. The result of his behaviour was his appearance before the court.

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): I am interested in the hon. Gentleman's argument and my intervention may help him to develop it. I have been listening to him intently and I wish to make what is perhaps the obvious comment. The 1361 Act is unsatisfactory because of its age and because it deals with breaches of the peace. A breach of the peace does not require strict proof and a finding of guilty or not guilty. A bind over can be applied to anyone regardless of whether the individual has been convicted of an offence.

Whatever the magistrates thought about the preacher's intent — for example, whether it was an act of solicitation or ill-advised activity falling short of that— they were fully entitled under the 1361 Act to bind over. If the preacher had been charged under the Bill, and if the magistrates' state of mind had been as the hon. Gentleman has expressed it, they would have been obliged to aquit him. The Bill, very properly, requires an act of solicitation, and there does not appear to have been one on the basis of the hon. Gentleman's account. The 1361 Act has been used to fill a vacuum because of the absence of appropriate legislation. It does not offer the precision that there will be when there is a proper criminal offence on the statute book. I hope that the hon. Gentleman will find my intervention helpful.

Mr. Soley: As I have said on previous occasions, I should be concerned if we decided to continue to use the 1361 Act, or road traffic legislation, to deal with acts for which they were not intended primarily. The difficulty with the Bill as it stands is that it does not require corroborating evidence. Assuming that the reports that appeared in the newspapers about the preacher were accurate, it seems that he asked the woman if she "wanted some fun". He went on to ask how much she charged. I understand that his purpose in doing that was to ensure that she was a prostitute, but he was placing himself in real danger in adopting that approach and he would be in danger under the Bill. That approach amounts to a solicitation, and the preacher could have been found guilty under the Bill.

When we were considering the Bill in Committee, the Law Society submitted to us a set of circumstances in which a member of the society could have been picked up under the Act when he stopped to speak to one of his clients.

I shall complete the trilogy of the preacher, the lawyer and the probation officer. I was a probation officer in the King's Cross area, but I am too dated, having left the probation service in 1979, for what I am about to say to apply to me now. However, for a couple of years after 1979 I could easily have stopped and talked to prostitutes in the King's Cross area and in other areas of London. I knew them because they had been under my supervision on probation orders or because I had met them when they had appeared before the courts. I could have spent time talking to them or have offered them lifts, for example. In a way, that would have been normal behaviour, but it would not have been seen as such. The risk of conviction or of appearing before the courts would have been considerable.

9.45 am

The hon. Member for Northampton, North (Mr. Marlow) has tabled an amendment that seeks to prevent press publicity until a person has been found guilty. I have some sympathy with that approach, although it would be difficult to put it into practice for a number of reasons. If a preacher, lawyer or probation officer is brought before the courts, he is likely to attract the attention of the media. Unfortunately, the media give far less attention when such cases are dismissed. What starts with a headline ends up with a statement half an inch in depth that tells the newspaper's readership that the accused was not guilty after all.

Mr. Ian Mikardo (Bow and Poplar): A man can be made the subject of adverse publicity without having committed an offence. He may be found not guilty, but his name will have been besmirched without the protection of a jury trial. Is it not serious that a man can lose his reputation without the Magna Carta right being invoked on his behalf?

Mr. Soley: That is a powerful argument. It applies in the area that we are discussing and in others where sexual behaviour is involved. Sex and violence are especially attractive to the media, especially when an offence is alleged to have been committed. The allegation attracts widespread publicity and if the accused is found not guilty he will not be able to obtain redress. There is no protection for him, or only very little.

Mr. Derek Spencer (Leicester, South): Perhaps the hon. Gentleman will pursue the argument to its logical conclusion. Is he saying that the same anonymity and protection should be given in all other summary offences, and, if not, why not?

Mr. Soley: Perhaps I have misled the hon. and learned Gentleman slightly. The amendment that suggests that that protection should be available is in the name of the hon. Member for Northampton, North and not in mine. I have some sympathy with what he is trying to achieve, but I do not think that the amendment offers the right course. That is why I shall not lend my support to the amendment directly. However, the principle that the hon. Gentleman is trying to get across deserves attention and support.

Mr. Marlow: The hon. Gentleman has great experience — I do not mean that viciously — in these matters. He has taken us back to the days when he was a probation officer. He will be aware that there has been a lot of press publicity about the chief constable of, I think, Nottinghamshire, who has been employing decoy women police constables. We would all like to see the Bill succeed when it has been properly amended. I wonder whether the hon. Gentleman, who no doubt has had a great deal of discussion with my hon. Friend the Under-Secretary of State for the Home Department, who is in his place on the Government Front Bench, will tell us whether he has had any assurance from him that, in the circumstances in

which the Bill has been enacted, the police will no longer feel it necessary to employ decoys. I can see in the circumstances that the hon. Gentleman was describing that it would be most embarrassing for him, as a probation officer, to go about his duties. He might see someone on the street who he wishes to help, only suddenly to find that it is police woman, who pounces on him and takes him off to the nearest police station.

Mr. Soley: In my old employment I would have known the police officers, too. I might have wanted to help them, too, in certain situations. In taking that line I could have been in trouble as well. I can assure the hon. Gentleman that I have not had discussions with the Minister of the sort that he has in mind. However, I am concerned about the use of decoys, and that is an issue on which we shall touch when we discuss a later group of amendments. I believe that the Minister said in Committee—I am sure that he will correct me if I am wrong—that the need for decoys should be considered carefully and that their use should be restricted.

Miss Janet Fookes (Plymouth, Drake): I may assuage any fears that the House may have if I say that on 13 February I received a letter from an assistant commissioner of the Metropolitan police which made it clear that it is not the force's policy to employ women police officers in plain clothes to detect prostitution offences, and it is not envisaged that they will be so used in the future.

Mr. Soley: I am grateful for that. I ask the hon. Lady to bear in mind, however, that the case of the preacher, where a police officer was deployed in plain clothes——

Mr. Mellor: It was not in London.

Mr. Soley: No; it was in Nottingham, as I understand it. My hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) received a letter from a lady who said that she had lived in the King's Cross area for over three years. She wrote:

> "I have found kerb crawlers annoying at times, but I have never once been threatened by one after I made it clear that I was not doing business. A great number of men who have approached me, however, have been either asking directions (King's Cross has two mainline stations) or begging for money (King's Cross is also a poor area)."

That lady makes a valid point about the type of areas in which that activity takes place. She deals with the problem in a mature and sophisticated way.

The problem is how to achieve the laudable aim of allowing women to go anywhere in the United Kingdom in the same way that a man can—without fear of being harassed or molested — and how to deal with the problem that afflicts some inner city areas such as that represented by my hon. Friend the Member for Tooting (Mr. Cox).

I have made the point before, and it is worth making again, that with the Bill we are trying to deal with the question of how prostitutes meet their clients and the consequences of that. Many prostitutes operate in a way which does not cause offence to people because they have a regular clientele or advertise in shops and magazines. The difficulty is that we have taken this problem out of the context of the issue of prostitution. I have made it clear before that in no way can we expect or should we expect prostitution to disappear completely. It has always been around, and it always will be.

We must address outselves to the deeper aspects of the problem. What causes people anxiety is when a number of prostitutes operate from the street and, in particular, when the problem is focused on one area. There is then an associated nuisance. Some people say that the ordinary laws of nuisance should apply. They do, but we cannot always apply them when the nuisance is caused by a number of drivers stopping women. That is a series of individual nuisances rather than the nuisance of, for example, a loud party late at night in one place with one group of people continuing to make a noise.

There is a case for a package which would allow prostitutes to advertise their services more effectively, thus helping them to stay off the streets and to operate together without the risk of being charged with a brothel offence, and to give local authorities byelaw powers to deal with problems that arise in specific areas, for example, Southampton and Tooting. That would be a more effective way of dealing with the problem. It is one reason why I tabled amendment No. 79, which has not been selected. That amendment would have enabled a local authority to make a byelaw. It would not involve the national law.

There would be disadvantages in doing that. Generally we try to legislate nationally. Byelaws imply that there are different problems in different areas. We have seen a dramatic example of that. The Ministry of Defence has recently introduced byelaws in places such as Molesworth. Such action can be taken, and the advantage would be that a local authority could bring——

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. The hon. Member must not discuss an amendment that has not been selected.

Mr. Soley: I apologise, Mr. Deputy Speaker. I shall not pursue the point. I was trying to find a way to make the law less national. As I said in Committee, the Bill applies throughout the United Kingdom and yet we are dealing with a few areas which have a major problem. In doing so, we are putting about 50 million people in England and Wales at risk from the law. It was an attempt to try to find——

Mr. Marlow: On a point of order, Mr. Deputy Speaker. I apologise, but I sincerely seek your guidance on this issue. We have 10 amendments before us which are drawn from the first four clauses. The hon. Member for Hammersmith (Mr. Soley) may have said, had you allowed him to proceed a little further, that had the Bill been framed in such a way that a local initiative could be taken and local byelaws introduced some of the amendments and clauses might not have been as necessary as they are. Given the wide range of the debate and the amendments before us, I seek your guidance, Mr. Deputy Speaker. I have a great deal of sympathy with what the hon. Gentleman was trying to say.

Mr. Deputy Speaker: We cannot discuss amendments that have not been selected. It is as plain as that.

Mr. Soley: I do not seek to pursue the matter. I have made the point that I was trying to limit the scope of the Bill because we all recognise that the problem is restricted to some localities. However important the matter is to those areas, we do not wish to make the law too widespread.

There is a question which I wish to put to the Minister again because he did not deal satisfactorily with the point in Committee. I said that the Scottish law, for which I have

[Mr. Soley]

considerable respect although I do not claim it to be perfect, requires corroboration; English law does not. His answer, if I remember correctly, was that it would be too complicated and take too long to go into Scottish law, and that neither he nor I were experts in it. That may or may not be true. Corroboration is required in Scotland, and we must address ourselves to the question why it does not apply in England and Wales. It is not sufficient to say that the matter is complicated. I have a great deal of respect for the way in which the Scots handle such matters and that point deserves more careful consideration.

It is interesting to note that the Scots do not feel a need for a law of this type. That is not because they do not have a problem. Having lived in Edinburgh and Glasgow, I know that from time to time there has been a problem in some areas.

New clause 1, which I have changed since Committee as a result of discussions in Committee, would give some assurance to the House that if the Act does not work—I know that the Minister and the hon. Member for Plymouth, Drake (Miss Fookes) are anxious about whether its intentions will succeed—it would continue in force only on a resolution of each House of Parliament. In other words, it would expire after two years unless given a positive vote again. That two years would, in my judgment and that of my hon. Friends, give us an opportunity to see whether the Bill had worked properly.

In new clause 3 and new clause 4, which are linked, I have used the phrase that a man would commit an offence if

"he solicits women . . . for sexual purposes in a manner which causes nuisance or fear."

I have included the requirement that women caused nuisance or fear should give evidence. To use the words "which causes" implies that corroborative evidence would be necessary. It seems unlikely that a court of law would think that nuisance or fear had been caused unless the person was there to say that it had been caused. That is one of the ways of putting safeguards into the Bill, and I recommend it to the House.

10 am

Amendment No. 33 proposes that we should leave out clause 2. That was the only way in which I could deal with the difficult problem of persistence, given that we had already dealt with it to some extent in Committee. The Minister is aware—as is the hon. Member for Drake—of the curious double standards. Under clause 1 persistence is not required; one act is enough in its own right. Under clause 2, persistence is required.

To confound the problem, to be a prostitute a person has to be defined as a common prostitute. A common prostitute is a person who has been warned three times by the police before going into court. We had to deal with that rather curious set of double standards which are linked together. Therefore, we had to decide whether to seek to leave out clause 1—which we could not do, having already agreed to it in Committee—or to leave out clause 2. We are seeking to draw the attention of the House to this difficult area.

Amendments Nos. 40 and 41 are linked. In amendment No. 40 we are seeking to insert, at the end of clause 2, the words

"in a manner that causes offence or nuisance to others".

Amendment No. 41 seeks to add the words:

"The person or persons to whom nuisance or offence has been caused may be required to give evidence of such nuisance or offence".

Here we are trying to deal with a difficult problem to which my hon. Friend the Member for Tooting referred—that in some circumstances people would not be prepared to give evidence because of their fear of the consequences. I have tried to get round that difficult problem by suggesting that the police, if they could not get a witness to come forward, could proceed with a prosecution provided that they felt they had sufficient evidence.

It might be that the person concerned, being either embarrassed or fearful of some consequences, would not have to be called. On the other hand, the normal expectation would be that such a witness would be called. A resident in a house or the chairman or members of the committee of a residents' association could give evidence of either nuisance or fear. If there were threats involved in an area where there was organised prostitution, the police could carry on with the prosecution without the evidence of certain people. The amendments would, I think, meet the anxiety expressed by my hon. Friend the Member for Tooting, the hon. Member for Drake, and the Minister.

I do not see why we should not have the innovation—if it is an innovation—in our law that a person may be required to give evidence which would enable the court to decide whether, in the circumstances, it would be safe to convict without evidence of corroboration. The police might wish to deploy the argument in court that they could not produce evidence because people were afraid to give it. I recognise that if a woman is not a prostitute and gives evidence against a man who has been kerb-crawling, her own sexual activities might be brought out in court. The Minister and some hon. Members have drawn attention to that problem. An obvious line for the defence would be to question the woman on whether she had slept with men before, with how many men, how frequently, whether she had ever charged for it, and so on. A woman who might be having a perfectly normal sexual life could have it inquired into in court and publicised. The amendments suggest a possible way of dealing with the problem, and I hope that the Minister will consider it.

Mr. Marlow: The hon. Gentleman's amendments go to the heart of the issue and deal with matters with which many people are concerned—how evidence shall be adduced, and so on. Amendment No. 41 says:

"The person or persons to whom nuisance or offence has been caused may be required to give evidence".

On what basis is the decision to be made? How does the hon. Gentleman feel that a court would react if the decision had been made that such a person should not be required to give evidence? Would there be a rule of thumb that generally in those circumstances the court would not be expected to convict? It is an interesting suggestion, but I do not see how it would work.

Mr. Soley: In the first instance, the police would ask the person whether she was prepared to give evidence. She might be a resident in the area or a woman who happened to be walking down the street. If the woman said yes, there would be no problem. On the other hand, she might say no. I remind the House that the Prosecution of Offences Bill would initiate a procedure for which my party has

been calling for several years—the appointment of an independent public prosecutor. That would link with this Bill in an important way.

Where a person does not give evidence, the public prosecutor then has to decide whether there is a case. It will be a matter for the judgment of the public prosecutor. That judgment will presumably be made on the basis of whether the public prosecutor thinks that there is a satisfactory case to be answered in a court of law. The public prosecutor will then say to the police, "If you cannot get your witness to come forward, what will you say when the court questions you about it?" The police will then have to say that the people concerned are fearful because of threats, or for whatever reason. The public prosecutor will then have to decide whether, on that basis, there is a case to answer. If he does not think that there is, obviously he will not prosecute. If he does, he will proceed with the case. It will then be for the court to ask the questions that one assumes the public prosecutor will have asked as to why the police have not been able to bring the witness to court. The court will decide whether an offence has been committed and whether, in the circumstances, it can safely convict in the absence of corroborative evidence. I hope that that answers the hon. Gentleman.

With the innovation of the independent public prosecutor, there will be a powerful addition to what is proposed in the Bill. I am not a lawyer, I have never claimed to be a lawyer, and I have never wanted to be a lawyer. However, I must not single out lawyers as though they are a minority group. I have made a good many criticisms of the legal profession from time to time. But there is concern among lawyers and others about the Bill as it stands, and I am suggesting, in my own non-legalistic way, a method of dealing with one of the major anxieties. I think that it meets some of the concerns of my hon. Friend the Member for Tooting, the hon. Member for Drake and several other hon. Members on each side of the House. Therefore, I urge the Minister to give it careful consideration.

Mr. Marlow: Does the hon. Gentleman envisage Home Office guidelines on this, and should they be published?

Mr. Soley: I do not have the expert knowledge to answer that, although I should have thought that the new public prosecutor system would make that unnecessary. Some guidelines might be needed in terms of the way in which the police are to operate, but I believe that many of the present problems will be solved by the independent prosecutor system because the police will no longer be both the arresting body and the prosecuting body. The police would be the arresting body, but it would be up to the independent prosecutor to decide whether there should be a prosecution. That takes the police out of the firing line. That is one of the reasons why I have been keen on that change for so long.

Amendment No. 47 relates to the concern that we expressed in Committee about the present drafting of clause 3, which includes the words:

"in a manner likely to cause . . . fear".

That is extremely difficult to define, especially if there is no corroboration. Another person's interpretation of what is likely to cause fear to a third party is debatable. The lady who wrote to my hon. Friend the Member for Islington, South and Finsbury said that she had been approached a number of times but had dealt with the situation in the normal way. A watching police officer might well have concluded that the incident was likely to cause her fear and might have secured a conviction on that basis. The lady in question stated clearly that the incidents did not cause her nuisance or fear, but if she was not called to give evidence a man might be convicted on that basis. If reference is made to nuisance and fear, I believe that nuisance or fear must actually be caused, which requires corroborating evidence, although I repeat that there are anxieties about the sexual activities of witnesses being brought into the case in the way that I have described.

Amendment No. 58 seeks to tighten clause 3 by inserting a reference to

"a woman of reasonable firmness".

I do not claim that those words are legalistically perfect but I believe that other legislation refers to fear or anxiety being caused to "persons" of reasonable firmness. Approaching a woman in the street and saying, "Will you have sex with me?" may cause fear to one woman, but anger, a dismissive comment or even laughter from another. A woman, or indeed a man in a similar situation, with well-developed social skills could deal easily with such an incident but another who is more timid and less able to cope with situations of that kind would be caused fear. I believe that it is dangerous to convict without making some judgment about that.

Mr. Matthew Parris (Derbyshire, West): When the hon. Gentleman said that other legislation required proof that fear would be caused to persons of reasonable firmness I believe that he was thinking of the law on affray, which requires not just that fear would be likely to be caused but that fear actually was caused. That is more than the hon. Gentleman seeks on this occasion.

Mr. Soley: I am grateful to the hon. Gentleman for pointing that out.

I ask the Minister to consider amendments Nos. 40 and 41 especially as a means of dealing with a number of problems. As I have said, we shall continue to try to achieve the aims that the hon. Member for Drake rightly had in mind in introducing the Bill but we must also continue to express anxiety about the unintended consequences of the Bill as drafted. Subject to the views expressed by the Minister and the House today, we shall wish to vote on the amendment, although I reserve our position on that for the moment.

Miss Fookes: I intervene briefly because it is important that I, as the promoter of the Bill, should make clear at this stage my attitude to the new clauses and amendments in this group because they deal with the heart of the matter. I understand the reservations expressed by the hon. Member for Hammersmith (Mr. Soley). Indeed, there was a sense of deja vu because we went into all this in great detail in Committee.

10.15 am

I should be doing the House a disservice if I did not state firmly at this stage that in my view clauses 1 to 3 as drafted meet the case as far as is humanly possible, and I am not at all inclined to accept the new clauses or amendments. I greatly fear that if we import the idea of nuisance or fear being required, especially in the case of soliciting in the street or from a vehicle, the whole effect of the Bill will be nullified. That may not be the hon. Gentleman's intention, but I believe that it will be the practical result.

[Miss Fookes]

The Bill will be emasculated and the longed-for relief that so many women and residents seek will be snatched away. I shall explain briefly why I take that view.

To suggest that nuisance or fear must be attributed to the woman who is solicited is to misunderstand the whole nature of the problem. There is certainly evidence that many women are put in fear or feel that they have been subjected to real nuisance, but that is not the end of the problem. Indeed, it is only the beginning of the problem, which is the cumulative effect on an area and its residents of frequent soliciting by kerb crawlers. The cumulative effect constitutes the nuisance. A requirement that nuisance must be caused to a particular woman on a particular occasion makes things far more difficult and leaves aside the cumulative effect about which so much concern has been expressed.

The hon. Member for Tooting (Mr. Cox), who is a sponsor of the Bill, knows as I do from constituency experience that at many hours of the day and night there is a build-up of cars waltzing slowly round a few streets, rather like a permanent rush hour of men looking for women. Quarrels and arguments break out about price and the sexual acts often take place in the cars quite close to the residential area. Frequently, there are unpleasant traces of all this activity, but I shall not dwell on that aspect now. It is the whole scene and set-up that is so unpleasant and degrading for residents — men as well as women. I believe that the amendments and new clauses will weaken the effect of the Bill by imposing such a narrow requirement for proof in the courts.

Mr. Parris: New clause 3 does not require that nuisance or fear be caused to the woman who is importuned. I agree with my hon. Friend that these activities are offensive, but residents who are offended enough to give evidence that nuisance has been caused to them will be able to satisfy new clause 3, which merely states that fear or nuisance must be caused.

Miss Fookes: I am afraid that my hon. Friend still misses the point. It is not the single act that necessarily causes nuisance or fear to others in the area. It is the effect of one act of soliciting upon another, with the cars going round and round like a merry-go-round at all hours of the night and day. I hope that my hon. Friend the Member for Derbyshire, West (Mr. Parris), who has taken such a close interest in the proceedings in Committee and now, has also taken the trouble to visit some of the areas which face this problem. Perhaps he could tell me how often he has been to such areas and talked to the residents where this is a genuine problem?

Mr. Parris: As I told my hon. Friend in Committee, I live near Bedford hill in Wandsworth, and I have friends there. I have no doubt of the nuisance caused there, or of the need for a new law to curb that nuisance. I have no doubt that the nuisance and offence are of a type on which either women or residents would be prepared to give evidence in court. I therefore have no doubt that a law which requires evidence of a nuisance or offence would be useful to the police and could be used to curb the nuisance in question.

Miss Fookes: If my hon. Friend is so familiar with the areas about which we are talking, I am surprised that he wants to hedge about with further restrictions the main provisions in the Bill.

Because there will be an onus of proof, it will not be easy to make a prosecution stick, and rightly so, even under the new clauses. I do not quarrel with that. If the action is to be a criminal offence, it is right and proper that evidence should be required which secures a conviction beyond all reasonable doubt. However, if we import "nuisance or fear" into the Bill, as suggested in the new clauses and amendments, we shall emasculate the Bill in a way which I find unacceptable, and which will be unacceptable to residents who for years have suffered harassment from kerb crawling, and to women who are approached.

Mr. Marlow: Surely if cumulative activity in an area causes nuisance or fear, an individual action within that cumulative activity would contribute to it and, therefore, nuisance or fear would be caused. As my hon. Friend the Member for Derbyshire, West (Mr. Parris) said, the police would be empowered to act under the new clause. I put it to my hon. Friend, as a Conservative and someone who does not want unnecessary laws, that in some areas, regions or docks, the activity may take place without causing nuisance or fear. If neither nuisance nor fear is caused, does she want a law to deal with people going about their business? Does she want to stop that, or is she only anxious about the nuisance or fear that is caused?

Miss Fookes: Obviously, I am anxious about the nuisance or fear caused, but clearly no prosecutions would be brought in cases where the area was deserted. I do not see the point of my hon Friend's intervention.

As I have said what my firm views are, I do not wish to detain the House. However, I repeat that residents and women in the areas affected are looking eagerly to the Bill to obtain much-needed and long-sought redress. I hope that the House will not be tempted to weaken the provisions in the way that is being suggested, although I appreciate and understand the sincerity with which the new clauses and amendments were tabled.

Mr. Mikardo: I wish to address my remarks in support of new clause 4. In doing so, I must make some sharp criticisms of the terms of clause 3 of the Bill, but I assure the House that I am not hostile to the objectives which the hon. Member for Plymouth, Drake (Miss Fookes) seeks to achieve. All hon. Members would approve of those objectives.

The hon. Lady vividly described the reactions of large groups of residents to the problem. However, we must ensure that the provisions of the Bill do not do injustice or provide the possibility of injustice being done to individuals. With all respect to the hon. Lady, good causes do not justify bad law. We must get the law right. We must remove ambiguity, and, as far as possible, the necessity for test cases in court to establish what the text means— there are difficulties about that — and the danger of innocent actions being found in law to be culpable. Moreover, we must avoid adding to police powers, which would enable police officers to harass people who do not deserve to be harassed.

All those matters are and remain our responsibility, however much we approve of the objectives of the Bill. The hon. Lady knows what great respect and regard I have

for her, but she cannot make the anxiety of many people her case for justifying the wording in a Bill, which is suspect, and some of the Bill is suspect.

Clause 3 of the Bill provides:

"A man commits an offence if he solicits a woman for sexual purposes in a manner likely to cause her fear."

That means in a manner likely to cause fear to a particular woman. Not all women, as with men, are alike. What strikes terror into my heart may be ridden with an easy smile by the hon. Member for Northampton, North (Mr. Marlow). What terrifies one woman may be brushed off lightly by another. Some women are less easily frightened than others.

About a week ago I read an account of a lady who won a special coloured belt for achievements in one of the martial arts—kung fu. She said that she could break a man's back in four seconds. It would be much more difficult to cause her fear than a lady of gentler outlook, persuasion and habits. Therefore, a general rule about what is likely to cause women fear cannot be laid down.

If I were soliciting the group of estimable, sophisticated and formidable ladies who are honourable Members for something as innocent as a signature on an early-day motion, the only fear caused would be to me. The wording

"likely to cause her fear"

will not do. How can anybody but the woman know what is likely to cause her fear? How can anybody but that woman say, "I was caused to be afraid."? By what criteria other than her view and testimony can anyone conceivably know that she was afraid?

10.30 am

Miss Fookes: As always, the hon. Gentleman expresses his views with clarity, but on this occasion he is mistaken. The Criminal Law Revision Committee, which suggested this legislation, specifically recommended this phrase for reasons opposite to those which he has given. It said:

"We have formulated the offence as one of soliciting in a manner likely to cause fear because a man's liability to criminal sanctions should not depend upon any undue susceptibility to fear on the part of the woman solicited of which he was unaware."

This is a pretty objective test to be applied by the courts.

Mr. Mikardo: I do not believe so. I am grateful to the hon. Lady for reminding me of what the Criminal Law Revision Committee said, but I should say two things. First, I do not treat the recommendations of that august body as tablets of stone. We are free to accept or reject its recommendations. Secondly, the sentence that she quoted does not hold water. The Committee is saying that

"a manner likely to cause her fear"

is a manner likely to cause fear to any woman. That is what the sentence means, and I do not believe that it can be sustained, and I shall take a moment or two to explain why it cannot be sustained.

Some women are caused fear unnecessarily; some women are paranoiacs, claustrophobes or agoraphobes. It means that we shall reduce the offence to the lowest common denominator so that it will catch anyone who approaches any woman. If one takes to its logical conclusion the sentence that the hon. Lady quoted, the assumption must be that any soliciting is likely to cause fear to some woman and, therefore, must be assumed to cause fear to this woman. In that case, it would suffice if clause 3 simply said:

"A man commits an offence if he solicits a woman for sexual purposes."

I repeat that, if we take that sentence from the Criminal Law Revision Committee to its logical conclusion, any approach to a woman is likely to cause fear to some woman and, therefore, must be assumed to cause fear to that woman.

Mr. Marlow: The hon. Gentleman said that the Criminal Law Revision Committee is an august and important body, but that he does not accept everything it says as though it was written on tablets of stone. He is right to make that remark. Although my hon. Friend the Member for Plymouth, Drake (Miss Fookes) made one quotation from that Committee, he will probably know that, in its working paper on offences related to prostitution and allied offences in 1982, it stated:

"Conduct which caused fear might and probably would have features which would allow another criminal offence to be charged."

At that stage of its thought processes, the Committee obviously believed that the way to deal with it was through other criminal offences, not in this way. If it changed its mind on that point, it could change its mind again.

Mr. Mikardo: I did not know that, and I am grateful to the hon. Gentleman for drawing attention to it. But I have much stronger evidence than that for saying that the recommendations of the Criminal Law Revision Committee are not tablets of stone, and are not divine wisdom that no one may question and that everyone must follow blindly or slavishly. My evidence is that successive Governments have ignored many recommendations of that Committee. It is no good the hon. Lady saying that we must do this because the Criminal Law Revision Committee said that we should do it.

Mr. Mellor: I take the hon. Gentleman's point that the policy on whether an act should be a criminal offence must be a matter for the House. Although we weigh the advice that we receive from the Criminal Law Revision Committee and from constituents and other groups, it is for the House to judge whether it agrees with it. However, the point being put to the hon. Gentleman is rather different. It is for us to say whether we believe that there is room in the criminal law of England for an offence that makes criminal an approach to a woman which causes her fear. The fact that the Criminal Law Revision Committee agrees with that is only one piece of evidence to weigh in the scales.

The point that my hon. Friend the Member for Plymouth, Drake (Miss Fookes) is making to the hon. Gentleman—I repeat it to him—is that, as clause 3(1) is framed, a man commits an offence if he solicits a woman for sexual purposes in a manner likely to cause her fear, which creates an objective test whereby the court would be asked to consider all the circumstances and to say, "Would a reasonable man in the position of the defendant know that his approach was likely to cause fear?" It is not based on the subjective response of the woman, who may be an hysteric or a perfectly normal, firm woman. That is a lawyer's advice as to the meaning of the clause. I would not embrace the clause if it did not have that objective test. Does the hon. Gentleman accept that, on that point, the learned Lord Justices of Appeal and others in the Criminal Law Revision Committee are entitled to say, "This is the way to create an objective test."?

Mr. Mikardo: I am grateful to the Minister for confirming my opinion of the committee, and that disposes

[Mr. Mikardo]

of that part of the argument once and for all. He is saying, as I am, that we must make up our minds on the basis of our analysis of the position.

My answer to the Minister's second question is no, because I do not believe that the clause creates an objective test. With all respect to that group of learned and distinguished gentlemen, there is only one objective test of behaviour likely to cause fear to a specific woman, and that is whether the woman has been caused fear. The only person who can know whether she has been caused fear is the woman herself. How can anyone else know? Let us suppose that the Minister and I are walking along the pavement and we see a chap approaching a woman. How could he or I know whether she was afraid, contemptuous, amused or, as could conceivably happen, although probably not often, whether she was willing?

Despite the views of those learned gentlemen, there can be no objective test of whether conduct is likely to cause fear in a woman, except the fact that it has caused fear, and the only person who can know whether it caused fear is the woman herself.

Mr. Mellor: I can agree with the hon. Gentleman on that point without conceding the rest of his case. The Government are not anxious to put on the statute book an arbitrary offence that depends on a subjective response, and that is why I am taking the hon. Gentleman's argument so seriously. I shall consider what he said carefully so that if, as I hope, the Bill proceeds to the other place, we can satisfy ourselves further that the objectivity we wish to achieve has been achieved.

It is highly unlikely that a charge could be brought under clause 3 without the woman involved giving evidence to the court. The hon. Gentleman is right to say that, unless a witness is sitting next to the woman on the tube train when the incident occurs, it is unlikely that anyone else can give evidence. But if the woman makes a complaint to a police officer, her stating that she has been caused fear will not be conclusive. It will be for the court to determine objectively whether what the individual said was likely to cause fear to a woman in those circumstances. We are not talking about someone travelling home late at night on the tube and saying to a woman, "Nice day, was it not?", and the woman then replying, "Get away from me, you beast; I will call the police." The mere fact that she would claim that she was put in fear would not be a ground for a conviction. The criterion would have to be whether a reasonable woman in those circumstances would have reacted in that way. I hope that that clears up the point.

Mr. Deputy Speaker: I remind the House that this is Report stage. We are not in Committee and right and hon. Members should wait until they catch my eye to make their speeches. The purpose of interventions should be to clarify matters.

Mr. Mikardo: I take that as an instruction to me not to give way any more. I shall obey your instruction implicitly, Mr. Deputy Speaker, as I always obey the instructions of the Chair.

From what the Minister has said, it is clear that he and I are moving towards each other and reaching a common point. I believe, with him and the hon. Member for Drake, that we should have a law that prevents men from soliciting women in a way that puts the wind up them and frightens them. There can be no question about that. I know that some women are sensitive, and perhaps mentally not quite well, and so we cannot rely only on the evidence of a woman, although that is a factor to be taken into account.

However, if there is no such evidence, there is no reliable evidence. I am not saying that we must automatically convict when a woman says that she was afraid, but we cannot convict at all unless she says that she was afraid.

As the Minister has been kind enough to give a trailer of his speech and has promised to have a hard look at what I am saying, it would be churlish of me to press the point any further. I take satisfaction from that because I know that he means it sincerely and will look at the matter. I hope that, in the course of his looking at this matter with his colleagues in the Department and the hon. Member for Drake, he will carefully consider whether they should abandon this part of the Bill so that cases depend on more than just corroborative evidence from the potential victim. That is a key matter, and that is why I support new clause 4.

Mr. Spencer: These new clauses and amendments concern the fundamental nature of the framework of the Bill. If they were to be passed, they would destroy the tripartite basis of the recommendations made by the Criminal Law Revision Committee upon which this Bill is based. When it comes to disappointing lawyers on the one hand or disappointing the public on the other, I should much prefer to disappoint the lawyers if I thought that that was in the public interest. If we passed this group of new clauses and amendments, we would cause deep disappointment in certain parts of the country where people are looking to the Bill to solve a pressing social problem.

There will be disappointment in Argyle square near King's Cross. As a former Camden councillor, I was amazed to hear the hon. Member for Hammersmith (Mr. Soley), who has some knowledge of the problem in Argyle square, suggest that there is anything other than wholehearted support from that area for the provsions of the Bill. When I was on Camden council there were frequent petitions from the residents of that area asking for something to be done. If the Bill goes through in its present form, that request will be answered.

Under the inner area programme, a great deal of public money is being poured into the central area of my constituency. However, that investment can come properly to fruition only when the environment for the residents in that area is properly protected by a Bill such as this.

Mr. Soley: The hon. and learned Gentleman misquoted me. I did not say that there was no support for this measure because there is, and I would go out of my way to say that there is a problem. However, I went out of my way to explain why new clauses 3 and 4 and amendments Nos. 40 and 41 will enable residents in cases such as Argyle square to deal with the matter.

10.45 am

Mr. Spencer: One of the complaints not only from Argyle square in London but from Saxby street in Leicester is that lives are made hell by people going round

at 2 o'clock in the morning and preventing us from getting a good night's sleep. If the police have to go round the next morning and say, "We are sorry that your lives were hell all last night. We should now like you to come along to the magistrates court, take a day or so off work, and give evidence in support of this case," people would conclude that the law was being unduly cumbersome and not protecting their interests properly.

I can give the hon. and learned Gentleman another example. He must have had cases in his surgery, as we all have, of residents who are annoyed and whose lives are made the subject of great inconvenience by noise from neighbours. They can go along to the county court or the local authority can act on their behalf in the county court. All that is required is for them to go along and give evidence on oath. However, people are most disconcerted at the prospect of being required to give evidence in court.

Not many people will be rushing forward to give evidence if the new clauses are passed. The Criminal Law Revision Committee based itself on the experience of the law before the sexual Offences Act 1959, when it was necessary to prove some annoyance. It mentioned how difficult it was to get members of the public to give evidence in such cases. Such a difficulty would be just as real today.

Mr. Marlow: This may not be a conclusive point, but my hon. and learned Friend was asking the hon. Member for Hammersmith (Mr. Soley) whether people had come to his surgery or advice bureau to complain about noise. It would be interesting to know how many people have come to my hon. and learned Friend's advice bureau to raise the issue of kerb crawling.

Mr. Spencer: People come in person or in a representative capacity. I have leaders of the community, Asian leaders from the central area, where the Asian community of Leicester predominantly lives, people from the mosques and Asian leaders of varying stature coming on behalf of their communities. They tell me that their lives are being ruined by prostitution in the central areas and that their wives and children fear to go out unescorted. I have had the South Highfields residents association imploring me to go to the chief constable and have something done.

Last year, the chief constable set up two special operations as a result of which on one occasion about 20 men were arrested and on a subsequent occasion 14 men were arrested and bound over under the 1361 Act to keep the peace. This is a problem of substantial dimensions in my constituency and there is an abundance of evidence in the *Leicester Mercury* and the *Leicester Muslim* that large numbers of people, irrespective of class, creed or colour, living in the central region of Leicester, want something done. They are looking to this Bill, substantially in its present form, to alleviate this discomfort. They would be very disappointed if they thought that anything was being done to impede the Bill's passage to the statute book.

I do not wish to detain the House, but it is necessary to indicate the status of some of the lawyers who sat on the committee. Other than Lord Justice Lawton, who has had wide experience of the criminal law at all levels throughout his long life at the Bar and, more subsequently, on the Bench——

Mr. Parris: My hon. and learned Friend said that his constituents want the Bill to be passed in its present form. It is not my experience that constituents take so close an interest in politics or study the drafting of Bills in minute detail. It is not possible to say that they are so well acquainted with the form of any Bill in Committee or on Report that they are substantially in agreement with that Bill as it stands.

Would it not be fairer to say that my hon. and learned Friend's constituents want something done about kerb crawling? Would it not be fair to acknowledge that many of us want that also, but do not think that the Bill, as drafted, is quite the right way to achieve that? The Bill is capable of improvement.

Mr. Spencer: It would be not this world, but somewhere else, if we found that the Bill was in a wholly perfect state. The question is whether it substantially meets the complaints of our constituents, and I believe that it does. Undue time should not be spent seeking to achieve an entirely unrealistic state of perfection. If we adopted that method of proceeding in the House, I doubt whether any piece of legislation would ever reach the statute book.

If an argument does not commend itself, it does not matter from whose mouth it comes. It does not matter how august is the company of people who put forward that view. However, it is extraordinary how well informed and how substantial was the composition of the committee that made these recommendations. It comprised not only Lord Justice Lawton but Mr. Justice McCullough, who has wide experience on the midlands circuit, two people who either are or have been stipendary magistrates in London, the Director of Public Prosecutions, an extremely well-known solicitor and—and this meets the point about clause 3—Professor Smith of Nottingham. He is the foremost exponent of the criminal law in the academic world of Britain. He habitually lectures to judicial seminars that I and other members of the judiciary have attended. He has the highest status. Like anybody else, of course, he can be wrong. But if there is on the one hand a collection of brilliant legal talent and on the other hand the coruscating intellect of the hon. Member for Hammersmith, to which I give full accord, I am bound to come down in favour of the members of the committee.

Many men underestimate the fear felt by women when faced with solicitation in the street, especially if it happens at night or if they are accompanied by children, as unfortunately sometimes happens. Their fear arises not for their personal safety but for the safety and welfare of the child. That element is encompassed in the clause as drafted, and if it were to be drawn tighter, it would fail to meet the justice of the case.

Mr. Parris: My hon. and learned Friend is patient, and this is the last time that I shall interrupt him. He spoke of the brilliance of the members of the committee and I do not dissent from that. I am sure that each and every one of them is brilliant. However, on page 40 of its interim report, the committee said:

> "Some of us are of the opinion that it would be undesirable for police officers to give evidence about the effect of an accused's conduct on a third party not called as a witness."

Would my hon. and learned Friend care to speculate which of the brilliant members of the committee were of that opinion?

Mr. Spencer: That would not profit us one iota. I fear that my hon. Friend is falling into the trap of engaging the

[Mr. Spencer]

House in seeking to obtain a perfect Bill, when all we are anxious to do—I am sure that he agrees—is to obtain a Bill that meets the justice of the case.

Miss Fookes: Perhaps I could help my hon. and learned Friend. The committee addressed itself to that point and said in the report:

"We would assume that in the case of our third new offence"—

that is the one that we are considering—

"the woman would almost always have to be called as a witness."

Mr. Spencer: I am obliged to my hon. Friend for reminding me of that. My somewhat limited experience of the law — only about 25 years — has taught me that usually it is bad to confuse the substantive law with the adjectival law. Unless there are strong and compelling reasons, it is not a good method to say what will amount to proof in any given case. Cases are infinitely various. Therefore, to require corroboration or to say that a particular witness should or must be called, is a mistake in legislation. There are sometimes cases where, notwithstanding the absence of the woman, the facts are overwhelming. Although I accept my hon. Friend's point, in cases under clause 3 it would be desirable and right to call the woman. However, there may be a small residue of cases where that would not be necessary and it would impede the cause of justice for it to be required—[HON. MEMBERS: "Why?"] For the same reason that it applies in every other branch of the law. It is a commonplace in our courts that sometimes the victim, or the person worst affected by the conduct under complaint, is not available or not called. Notwithstanding that, the jury — 12 ordinary members of the public — are totally satisfied that the case has been proved. Therefore, as a general principle it is bad to confuse the substantive and the adjectival law.

Mr. Mikardo: The hon. and learned Gentleman is talking about a jury. There is no provision for trial by jury in the Bill.

Mr. Spencer: I accept that. I make the point merely to demonstrate that a court, however comprised—even if it be of persons not versed in courts or in the law—and notwithstanding the absence of the victim, can still find it consistent with their duties to do justice to reach the conclusion that the offence has been proved.

Therefore, Opposition Members are pursuing a bad point by suggesting that, under clause 3, in every case the law should require the woman to attend. I support the Bill in its present form.

11 am

Mr. Tom Cox (Tooting): This has been, and I am sure will continue to be, an interesting and at times a fascinating debate. This is the kind of Bill to which many hon. Members feel they have commitment, in that it is their duty to try to help those whom they seek to represent while safeguarding the rights of individuals who could find themselves in difficulty as a result of such legislation.

We have heard from both sides of the House of the problems in many parts of the country. I represent a constituency of which part, sadly, has for many years experienced the most appalling problems, and they remain. I shall not relate the exchanges that I have had with successive Home Office Ministers over the years that I have been a Member of Parliament in trying to help my constituents and, if possible, to rid the area of its problems.

It is no exaggeration to say that over the years I have talked to hundreds of women who have come to my advice service or attended meetings in the constituency. I have had outlined to me their experiences, many of them encountering the difficulty not once or twice but on countless occasions.

In making these comments I am trying to be scrupulously fair. From talking to my female constituents I get the clear impression that they experienced a combination of annoyance and, for a large percentage of them, an element of fear, and it is obvious that the element of fear is more acute during the late evening than it is in day time.

A women walks along a road, a car stops beside her, windows are lowered and comments are made. If that happens during the evening, the startling effects are greater than if it happens in daylight, and there are many instances of fear being occasioned to women in those circumstances.

I accept what my hon. Friend the Member for Bow and Poplar (Mr. Mikardo) said, and this is one of the dilemmas that we face. A number of hon. Members know a lady who was once accosted in Bedford hill. She felt annoyed. She also felt that it was a joke that she should have been solicited. But it has to be said that many women in those circumstances feel an element of fear, possibly for only a few seconds, until they realise, "It is some fellow trying to pick me up."

In my constituency, there have been many threats to members of the local community who felt that they were getting nowhere, having been promised repeatedly by the Government of the day that something would be done. They decided, to their credit, that they had to make their presence felt not only against the women coming in to the area to solicit men but against those looking after them, their minders.

There is clear evidence of what has happened in my constituency following protests by local residents about the activities of prostitutes and their minders. There has been violence. There have been attacks on property. I believe that it is my duty to try to help my constituents by way of legislation.

My hon. Friend the Member for Hammersmith (Mr. Soley) made a very fair comment about the requirement in amendment No. 41 that a person might be required to give evidence either of nuisance or of offence being caused. We know how our courts work. We have certain standards. People charged with alleged offences should, either themselves or through their representatives, have the opportunity to cross-examine those making the allegations. But again an element of fear is involved. Women fear the kind of attack that may be made upon them in court if they decide to take matters to court because they want action. They fear that they will be subjected to a great deal of humiliation. There are some very tricky lawyers about. It may be that the woman who goes to court is required to give evidence and then to be cross-examined by the defendant's solicitor. She may be asked what she was doing in the area at the time, how she was dressed, whether she is married or living with someone, and so on.

Since the Committee stage I have spoken to several local groups in my area and at meetings attended by both

men and women. The hon. Member for Derbyshire, West (Mr. Parris) said that normally members of the public did not take much notice of legislation. I can assure him that in my area there has been very keen interest in the Bill, especially during its Committee stage.

Mr. Parris: I did not say that the public did not take much interest in legislation. I said that they did not study minutely the drafting of legislation. Of course the hon. Gentleman is right. He knows better than I do, but I know, too, that his constituents are concerned because many of them have written to me saying, "We hear that you are obstructing this Bill"——

Mr. Mellor: Quite right.

Mr. Parris: I hear my hon. Friend the Minister murmur, "Quite right." Thoughout the Committee stage, he was putting it about that my aim was to wreck or obstruct the Bill. That is quite wrong. My aim is to make the Bill a fairer one so that we catch those who ought to be caught and do not put in danger people who should not be in danger either of arrest or prosecution. As a result of the rumours that the Minister and others have been putting about, I have had a great many letters, some of them abusive, and even threats to put bricks through my windows in Wandsworth, where I too live.

I said in Committee and I have said publicly and privately to the Minister that the nuisance is a grave one and that it is right that we should address ourselves to it. However, the hon. Member for Tooting (Mr. Cox) misunderstands me when he suggests that I believe that people do not take an interest in legislation. They do, and they have written to me saying, "Please do not obstruct the Bill, because people are persistently soliciting and we want it stopped." I have written back saying, "I agree that people are persistently soliciting, and it is persistent soliciting that I want to make an offence." They have then written to me saying, "We have not actually seen the Bill. In that case, we see what you mean and we agree with you."

Mr. Cox: I note the hon. Gentleman's comments. I hope sincerely that he does not receive any further threats of violence. They do not help anyone who is genuinely trying to come to the aid of the residents of our community who experience this difficulty.

There is a very deep fear of going to court because of the kind of attacks that could be made against women by solicitors. This problem must be looked at. It would be interesting to hear the Minister's views on amendment No. 41.

There are many other amendments to discuss. Therefore, the remainder of my comments will be brief. I hope that we shall reach the end of our discussions today because nothing would be more tragic than for the debate not to be concluded and, if there are to be votes, for those votes not to be taken today. I have witnessed over the years the activities of those who kerb crawl and pick up women in my area and I accept that some people may be looking for a particular address and may stop to ask for information. However, I do not believe that anybody who watched their activities could be in any doubt about what the overwhelming majority of them were doing. They are there for one specific reason.

I accept the point made by my hon. Friend the Member for Bow and Poplar that we should try to deal with the 99 per cent. who are kerb crawling, but we should also try to safeguard the rights of the innocent 1 per cent. who may be caught up by the legislation. I want action, but all hon. Members who represent constituencies which suffer from this type of problem ought to be realistic enough to accept that people's rights have to be safeguarded.

Although I am aware of your earlier comments, Mr. Deputy Speaker, I should welcome an assurance from the Under-Secretary that within one year, or two years at the very most, he will make a statement or there will be a short debate in which discussion can take place about how this Bill, if it becomes law, is working. That would allay the fears of many hon. Members. There ought to be an opportunity to examine how the Bill is working in practice and whether problems are being caused by it. If we then find that it is causing problems, I shall go back to my constituents and say to them that I spoke against colleagues of mine because I felt that I had a duty to do so, but that now that the Bill has been working for this period of time there are aspects of it which I can no longer support. If the Minister were able to give an assurance that there is to be a review, it would be of great help to many hon. Members.

Mr. Parris: The group of amendments that we are discussing ranges broadly over the first three clauses. It includes not just the elements of the offence but, in the case of some amendments, the penalties and the mode of trial. Therefore the debate upon this group of amendments has to be wide-ranging. I should like to go through the amendments one by one because some of them are entirely separable.

Before I do so, I think it is in order to lay my cards on the table, as I tried to do a minute or two ago in an intervention during the speech of the hon. Member for Tooting (Mr. Cox). There are certain hon. Members who object to any Bill of this kind and who will wish to prevent it from becoming law. Other hon. Members believe that it should become law in substantially its present form. I believe that a Bill is necessary and that this one comes quite near to meeting our requirements. However, in two respects the drafting goes further than is necessary in order to deal with the nuisance that needs to be dealt with. Therefore I wish to improve the Bill, not to obstruct it. That was my attitude in Committee and that is my attitude today. I wish that my hon. Friend the Under-Secretary of State for the Home Department would accept my word on that.

Mr. Mellor: People are judged by their actions. If the Bill makes progress without too lengthy a contribution from my hon. Friend, we shall know that what he has said is right. However, it should be understood that what I said earlier was in the context of an opening speech which lasted for an hour and three quarters during the first sitting of the Committee. One is not being unduly cynical if one says that that was not entirely consistent with an attitude of friendship towards the Bill. However, I hear what my hon. Friend says. I shall be only too happy to congratulate him at the end of the afternoon on having delivered on his pledge.

Mr. Parris: I shall reply to that point in a minute, but my hon. Friend the Member for Northampton, North (Mr. Marlow) wishes to intervene.

11.15 am

Mr. Marlow: I am grateful to my hon. Friend for giving way. As the Minister knows, this is a private Member's Bill and I am sure that he would wish any measure that is to be enacted to be properly and fully debated. If the Government are committed to a measure such as this being placed on the statute book, it is for them to provide whatever time is needed to ensure that the matter is properly debated and the necessary amendments made.

Mr. Parris: I am grateful to my hon. Friend the Under-Secretary of State for what he has said. May I point out to him, however, that whatever progress the Bill makes will depend partly upon him and upon my hon. Friend the Member for Plymouth, Drake (Miss Fookes). If the small, almost drafting, improvements, that could be made to the Bill are accepted, I see no reason why it should not make a great deal of progress. If the amendments are not accepted, that fact will render the Bill substantially unacceptable in its present form. I look to my hon. Friend the Member for Drake and to the Minister for a sympathetic response. My hon. Friend the Member for Northampton, North (Mr. Marlow) is absolutely right. If the Government are committed to the Bill and believe, as I do, that it addresses a public nuisance which requires legislation, it is for them to legislate in what I would describe as an honest way by means of a Government Bill which is taken through the House in Government time.

I congratulate my hon. Friend the Member for Drake upon her part in making sure that something is done about this problem. First, may I reply to some of the points which have been made in the debate on these amendments. The hon. Member for Tooting referred to the long history of complaints with which he has had to deal in his constituency. I wholeheartedly endorse what he said. I know it to be true for two reasons. First, I live very close to his constituency, where I have many friends, and I know the Bedford hill area. The hon. Member does not exaggerate either the scale of the problem or the depth of public resentment about it.

Secondly, I have taken an interest in legislation concerning prostitution ever since I became a Member of Parliament six years ago. I know that the hon. Member for Tooting is always in the Chamber when there is a debate on the subject, and I recall an excellent Adjournment debate of his upon it. He has been doing his best for the six years that I have been a Member of Parliament—and, I am sure, for very much longer—to bring the matter to the attention of the House. Therefore I congratulate him, even though he and I will not agree on every point relating to the drafting of the Bill.

The hon. Member referred to the real annoyance and fear that is caused to women in his constituency. It is indeed a real annoyance, and on occasions really deep fear is experienced. And it is always a nuisance. One of the purposes of many of the amendments is simply to oblige the prosecution to bring evidence of that annoyance or fear.

On the basis of my observations and the many letters that I have received I have no doubt that people would be prepared to come before the courts and give evidence of the annoyance or fear caused not just to themselves as a result of being importuned but to themselves and their families as a result of living in a neighbourhood where such importuning goes on.

The hon. Gentleman said that there would be a problem about bringing women to court as witnesses because they would be afraid or embarrassed, and I acknowledge that, as I tried to do on Second Reading. But we must also acknowledge that that is sometimes advanced as an argument for not bringing a woman to court as a witness in a case of rape. In such a case the annoyance, embarrassment and fear which result from having to come before a court is very real, yet that does not persuade us that it is not right to demand that such a woman should be called as a witness.

Mr. Marlow: I fully accept my hon. Friend's point about how unpleasant, obnoxious and embarrassing it could be for someone to give evidence in those circumstances, but there is the other possibility that, in an area where kerb crawling is an undoubted damnation and nuisance about which something must be done, the residents will obviously take an interest in what is happening locally. It is not beyond imagination that if the Bill is amended in the way that my hon. Friend and I would wish, and enacted, the residents would become involved in the giving of evidence and that would be far more satisfactory than having insufficient evidence.

Mr. Parris: I am sure that my hon. Friend is right. If it ever happened that the Bill were enacted with this amendment and the police complained that they were unable to bring charges successfully because residents would not give evidence, I have no doubt that residents associations would be formed to ensure that such evidence was available.

Mr. Tony Lloyd (Stretford): The hon. Gentleman has drawn a comparison with victims of rape and spoken of the difficulties of getting people to appear in court in such circumstances. He drew attention to that on Second Reading, as indeed did I and several other hon. Members. But if that is the case, would logic suggest — the Minister drew the same comparison—that we should cut out the need for victims of rape to appear in court, or would he argue, as I would strongly argue, that court procedures for the victims of rape and many other crimes should be seriously reconsidered? We may not be able to make those perfect but they are now quite monstrous in their approach to such questions.

Mr. Parris: I agree. Many laws create real problems for innocent witnesses and victims of crime. They have real problems in giving evidence. We must look carefully at ways in which we can help and protect them. My hon. Friend the Member for Northampton, North has tabled an amendment, which I hope will be reached later, relating to publicity that is given to such trials before a conviction. No doubt he will go into that in greater detail.

My hon. Friend the Member for Drake said that the speeches that she had heard so far gave her a sense of deja vu; that we have discussed all these matters in great detail in Committee. That is true of clause 1, when we discussed things in great detail. My hon. Friend the Minister spoke for at least three quarters of an hour on that, if one includes his many interruptions to my speech. I spoke at even greater length on clause 1. To a lesser extent clause 2 was satisfactorily discussed and dealt with in Committee.

Clause 3 and the remaining clauses were scarcely discussed at all in Committee. I was 20 minutes late for the third sitting of the Committee when we were about to

embark on clause 3, and in my absence the Committee went through clause 3 and the remaining clauses with virtually no discussion. Therefore, it would not be right to say that the Bill had been effectively discussed in Committee. Clause 3 has had no attention at all yet and it deserves attention on Report.

My hon. Friend the Member for Drake said that to import into the Bill an element of nuisance or fear would emasculate it because the nuisance or fear is cumulative and is caused to residents. I have already said that under many of the amendments that we are discussing there is no problem about calling residents as witnesses. Their witness would be sufficient in the terms in which the amendments are drafted. My hon. Friend spoke about what she called the cumulaative effect of this kind of activity. She has a strong point, but that is always an argument about which I worry when drafting legislation. Where the complaint is that a totality of activity is the nuisance rather than any individual's contribution to it, be it on matters of morality, public nuisance, obstruction or meetings in the street, if that argument is too easily allowed and we are not careful, we shall find ourselves prosecuting people who are not guilty of anything for something to which they may wittingly or unwittingly have contributed. One must be careful about such legislation.

My hon. Friend has a point because it is the cumulative activity that worries many residents. She spoke about people making love—if that is the right expression—in parked cars. That is already an offence. It is probably gross indecency, although I do not know under which section of the 1956 Act. If she were to advance that sort of argument too strongly, she would begin to say that what is unpleasant is not simply a particular couple making love in a particular car but all kinds of amorous activity going on in an area. One would then begin to wonder whether people should be prosecuted for kissing or petting in cars because that would contribute to a general level of activity that would be unwelcome to residents. I make that point because I want to warn the House that the argument about cumulative activity is dangerous. Whereas we cannot ignore it and must not always resist it, we must be alerted to the dangers of taking it too far.

Another example would be obstructing the highway. The point that one of my hon. Friends made about that was right. There is no problem about bringing an accused person to court, not for creating the totality of a cumulative effect but for making a significant contribution to that totality. That is what we should be trying to legislate against in the Bill. There are many other cases in which the contribution made by one particular car to obstructing the highway is not great but that does not make it hard for the police to bring charges successfully on the grounds that that car and others like it were contributing to an overall obstruction.

If cumulative nuisance is the problem with which we are minded to deal — I agree that it is — it is the individual contribution of the accused towards a cumulative nuisance against which we want to legislate. We should make it clear what that contribution has to be in order for a person to be found guilty. It is the purpose of some of the amendments to make that clear

It was said that it was all very well to complain and that if cumulative nuisance was what concerned us we should limit the effect of the legislation to areas where there was a cumulative nuisance. My hon. Friend the Member for Drake was asked why the legislation should apply to isolated areas where such offences were rare. My hon. Friend said that prosecutions would not be brought unless that was a particular problem.

I do not like legislation which leaves it to the police to decide when prosecution should and should not be brought. I accept that all legislation must leave an element of discretion to the police, but the less discretion that we can leave to the police the better. Hon. Members have argued for amendments that would narrow the discretion left to the police in bringing prosecutions, and that is right. If one takes my hon. Friend's logic to its conclusion, the best way to deal with the offence would be to make it an offence to wind down the window of a car and speak to a woman and rely on the good sense of the police not to prosecute except in cases where that was clearly a public nuisance. No one would suggest that that is the way to go. We can hone down the offence more effectively than that.

11.30 am

Miss Fookes: I do not recognise the argument that my hon. Friend is attributing to me, but never mind, I will not waste time on that. We shall soon have an independent prosecution service and if we look to the future rather than the present, surely my hon. Friend agrees that that will deal with some of the issues that are worrying him.

Mr. Parris: I look forward to the establishment of an independent prosecution service and I hope that it will make prosecution fairer and more equitable and that there will be nationally establishable criteria. However, we should not pass broad, catch-all laws and rely on the good sense of a hoped-for national prosection service to ensure that the laws are enforced only when we would want them to be enforced. As far as possible, the law should fit the crime that we wish to prosecute. I am suggesting ways in which that could be done.

My hon. Friend the Member for Drake quoted the conclusion of the Criminal Law Revision Committee that it envisaged that in cases brought under clause 3 the woman would almost always have to be called as a witness. I do not see why the committee took that view. Clause 3 states:

> "A man commits an offence if he solicits a woman for sexual purposes in a manner likely to cause her fear."

Suppose that two police officers on a tube train see a person, who is obviously drunk, lunge and paw at a woman and hear him make indecent proposals to her and, when the train stops at a station, the woman runs off in panic and cannot be traced. If both police officers say that they saw that happen, I do not see why a court would feel that the woman had to be called as a witness. There ought to be an offence of which that man is guilty, whether or not we can find the woman to be a witness.

My hon. Friend the Member for Drake expounded at length on the worthiness and legal competence of the Criminal Law Revision Committee. Although men of such brilliance may not think it likely that a case could be proved unless a woman was called as a witness, I disagree, and hon. Members are still entitled to their opinions, however much we may respect the legal competence of the Criminal Law Revision Committee and the Minister.

My hon. and learned Friend the Member for Leicester, South (Mr. Spencer) and the hon. Member for Tooting expounded at length on the fact that the public want the Bill. I know that, and I want a Bill that deals with the

[Mr. Parris]

offence. However, I do not believe that the public are acquainted with the details of the Bill and I think that if they were, many would agree with me that we need a Bill to cover the offence, but that this Bill is too broadly drafted and could be effectively honed down without—to use the language of my hon. Friend the Member for Drake—emasculating it.

Mr. Marlow: I dare say that my hon. Friend reads *The Guardian* from time to time.

Mr. Parris: Never.

Mr. Marlow: May I draw my hon. Friend's attention to the editorial in *The Guardian* on 26 February? It said:

"What women walking down the street want and what the residents of red light districts want is to be free from the annoyance and harassment of prostitution and soliciting."

However, it went on:

"That welcome and belated insight does not mean that any and every measure based on it should be supported. The Bill is a typically narrow law and order way of dealing with the issue of prostitution."

The implication of that editorial is that we certainly want to deal with the problem, but that we want to deal with it in the right way.

Mr. Parris: My hon. Friend is right and *The Guardian* is right. The Home Office has been less than courageous in tackling the problems of prostitution.

Mr. Deputy Speaker: Order. I am listening carefully and the hon. Gentleman is making almost another Second Reading speech. He must direct his remarks to the amendments before us.

Mr. Parris: I am sorry, Mr. Deputy Speaker. I was responding to my hon. Friend for Northampton, North and I should not have been tempted to do so.

My hon. and learned Friend the Member for Leicester, South mentioned noise problems and said that people might feel a sense of grievance, but might not wish to air their grievance in court. There are many areas in the ordinary intercourse between human beings where grievances are felt, but where we would not wish to take them to court. I draw from that fact the rough and ready conclusion that that is a reasonable way of distinguishing between the sort of grievance that should come within the scope of the criminal law and the sort that ought not.

If people do not feel sufficiently strongly about noise, for example, to claim in court that it is causing them annoyance, that is an argument for not necessarily prosecuting the person who has caused the noise. I draw the same conclusion, rough and ready though it may be, about soliciting.

This is a disparate group — if that is not a contradiction in terms—of amendments. New clause 4 states:

"an offence . . . shall not be proved unless the person who has been caused nuisance or fear gives evidence of such".

That is the proposition which we have been discussing for the past hour or two. I see problems in the new clause, but I have explained the circumstances in which it would be practicable to call people to give evidence of nuisance or fear and the new clause would improve the Bill.

I do not think that fear is the emotion which we should always demand before prosecuting someone. There may be cases in which the woman will be unwilling to give evidence and there will not be residents who can be called as witnesses, but I have some sympathy with the new clause, because it would improve the Bill and would allow the law to be prosecuted reasonably. However, it would allow people to escape occasionally and allow some offences to go unchecked. Therefore, although the new clause would improve the Bill, there are preferable ways of achieving its objective. New clause 3 says:

"A man commits an offence if in a street or public place he solicits women (or the same woman) for sexual purposes in a manner which causes nuisance or fear."

That is another way of achieving the effects that new clause 4 attempts to achieve.

Mr. Marlow: Not being a lawyer, I am uncertain about what is meant by a man soliciting a woman. We all know what is meant by a woman soliciting a man, but what does my hon. Friend think is meant by references to a man soliciting a woman?

Mr. Parris: There are some problems about that, although they ought to have been dealt with under existing case law, because the offence of solicitation has been part of our criminal law for many years.

It is clear that a man who says to a woman, "How about it, darling?" or wolf whistles and waves pound notes out of a car window is soliciting, but it is less clear whether he is soliciting a woman if he is approached by her and indicates that the approach is not unwelcome and starts speaking to her. I hope that my hon. Friend the Member for Drake or the Minister will give us advice on that.

It is clear that the purpose of the Bill is to prosecute men who importune women. I use "importune" in the sense in which it is used on a daily basis, rather than with the meaning that has come to be attached to it under section 32 of the 1956 Act, which is male importuning. The court usage of importune has cheapened the word and in court it means only "solicit". However, in the ordinary sense of our language "importune" means to cause annoyance or, more fully, to persist to the annoyance or embarrassment of another person in solicitation. If we used importune in its real sense in section 32, I should be happy. If we could draft the Bill in a way that made it clear that men who importuned would be guilty of an offence and not those who merely asked or replied to an invitation, the Bill would be greatly improved. The clauses that we are discussing represent a variety of ways of achieving that effect.

I direct myself now to new clause 7. When you think that it is an appropriate moment, Mr. Deputy Speaker, I hope that you will permit a Division on the clause. It takes an entirely different approach to the other new clauses and I should like to press it to a Division. The clause states:

"The reference in section 32 of the Sexual Offences Act 1956 to a man persistently soliciting or importuning in a public place for immoral purposes shall be taken as applying to men soliciting women as well as men soliciting men.".

My purpose is to extend section 32 of the 1956 Act in the way that I have outlined. I believe that the section so expanded and clarified would render clauses 1 and 2 unnecessary. It would be a satisfactory substitute for the first two clauses.

In previous times it was unclear whether section 32 applied only to male-to-male soliciting or whether it applied also to a man soliciting a woman. There was a famous case called Crook *v.* Edmondson in which the prosecution argued that the phrase "for immoral purposes" could include a man wishing to attract the services of a prostitute and did not have to be a man soliciting a man.

Unfortunately, the court found that section 32 was intended to cover only male-to-male soliciting. Ever since then section 32 has been used to cover only man-to-man importuning. There is no reason why it should be restricted in that way. I find the decision in Crook *v.* Edmondson rather eccentric and it seems that my hon. Friend the Member for Drake agrees with me. Indeed, she said so in Committee.

In its interim paper, the Criminal Law Revision Committee considered the possibility of acting in the way that I am proposing in new clause 7. It discussed the option of clarifying section 32 to make it clear that it covers man-to-woman as well as man-to-man solicitations, rather than drafting a new Bill on kerb crawling. The Committee decided that that was not the best approach. It stated that under section 32 there is a need to prove persistence. It felt that in any new legislation there should be no need to prove persistence. I believe that that view was shared by the police.

In clause 2, there is a need to prove persistence and the word "persistently" appears in it. Clause 1 covers solicitation from a motor vehicle and under that clause there is no need to prove persistence. It is the argument about persistence to which I shall turn.

11.45 am

My hon. Friend the Under-Secretary of State was quizzed repeatedly in Committee by my hon. Friends and me about why there should have to be persistence proved in soliciting on the pavement and not from a motor vehicle. None of us who felt that the distinction was anomalous has been persuaded by my hon. Friend's answer; indeed, we have not been able to understand it. He appears to take the view that the problem lies in the cumulative nuisance that is involved in soliciting from a motor vehicle and that it does not matter whether 10 men solicit once or five men solicit twice. He argues that in either circumstance the same nuisance will be caused and that we should be able to prosecute 10 men who solicit once as easily as five who solicit twice. He is right, but that argument applies with equal force also to soliciting on the pavement. It applies with equal force also to clause 2. It does not matter whether in an area of London or Leicester, where prostitution is common, five men solicit twice on the pavement or 10 men solicit once. It does not matter particularly whether five prostitutes are extremely persistent or whether 10 are less persistent. The result is the same because the same nuisance is caused. If we are to accept my hon. Friend's logic on clause 1, why should we not accept it on clause 2?

My hon. Friend the Under-Secretary of State advanced another argument which still baffles me. He suggested that there was something innately offensive about soliciting from a motor vehicle. He seemed to imply that soliciting from a pavement was not quite so offensive. I disagree with him. I consider soliciting on a pavement to be more offensive than from a motor car. Why do men solicit from motor vehicles? It can be a slightly less intrusive way of trawling for what they seek to catch than walking along a pavement and importuning women. As it is less intrusive to solicit from a motor vehicle than to do so on the pavement, many men choose the anonymity of motor vehicles from which to solicit. I cannot understand my hon. Friend's logic or that of the Home Office. If pavement soliciting is not yet legal or smiled upon by the Home Office, it is apparently more genteel, less intrusive and less offensive than soliciting from motor vehicles.

As car soliciting is a much more convenient way of picking up prostitutes than soliciting on the pavement, men have turned in increasing numbers to looking for women from their cars rather than suffering the embarrassment of soliciting while walking along the pavement. Therefore, kerb crawling has become a more popular way of picking up prostitutes than walking along the pavement. In one sense, my hon. Friend is right because kerb crawling is more of a nuisance now than pavement soliciting, but that is only because men have chosen to solicit from their cars rather than from on the pavement. The reduced burden of proof under clause 1 and the increased burden under clause 2 could lead to wise men seeking legal advice and deciding in future to look for a woman on foot on the street rather than from their cars. If that happens, the unintended consequence of the Bill would be a reduction in the incidence of kerb crawling and an increase in pavement soliciting. We would return to the earlier days of the century when pavement soliciting was a greater problem than it is now.

Mr. Marlow: Can my hon. Friend see into the mind of our hon. Friend the Under-Secretary of State and understand why it should be necessary for persistence to be proved when dealing with someone who has been looking for a woman while on foot but not while doing so from a car? I know that my hon. Friend the Member for Derbyshire, West (Mr. Parris) is concerned about the innocent suffering miscarriages of justice. Why is it necessary that persistence should be proved? It would be useful to know at this stage what it is that causes our hon. Friend to say that persistence is essential if we are to convict someone who walks on the pavement and solicits women but not if he solicits women from his car. What is the difference?

Mr. Parris: That is the point that I have been trying to make, perhaps inadequately. I do not understand what the difference is. I have tried to recount the explanation of my hon. Friend the Under-Secretary of State but I am baffled by it and perhaps I have not given a fair recounting. It may be that my hon. Friend will be able to explain his argument. I think that he has misunderstood the revision committee's logic. The committee has never suggested that kerb crawling is more of a nuisance than pavement soliciting or that there is something uniquely offensive about soliciting from a car which does not apply to soliciting on the pavement. The committee goes for persistence and is prepared to lay down persistence because the requirement to prove persistence makes it slightly more difficult to make the charges stick and therefore reduces the possibility of mistaken accusation. That is a good reason for importing an element of persistence into section 32 and clauses 1 and 2.

Page 38 of the Criminal Law Revision Committee's interim report considers the possibility of abolishing the element of persistence in section 32 and decides that we should not abolish it because:

> "The requirement that the soliciting should be persistent in our view remains principally to reduce the possibility of mistaken accusation since the offence is not related to prostitutes."

That is why we need persistence in section 32, why the Home Office accepts that we need it in clause 2 and why we need it in clause 1.

[Mr. Parris]

New clause 7 would sweep away clauses 1 and 2 and extend section 32 of the 1956 Act so that it would cover soliciting on the pavements and from motor vehicles. The soliciting will have to be for an immoral purpose. Seeking the services of a prostitute would be found by the courts to be an immoral purpose. It would have to be persistent. Persistent does not mean persistent under English law; it means twice. We should not be laying a heavy burden upon the shoulders of the police or the prosecution. "Twice" has almost always been enough to satisfy courts of the element of persistence. Section 32 would then cover men-to-women soliciting as well as men-to-men and the public nuisances outlined by the hon. Member for Tooting, my hon. Friend the Member for Drake and others. New clause 7 would replace clauses 1 and 2.

Mr. Charles Irving (Cheltenham): I have listened with the greatest care to the issues that have been raised. There is no one here who would be anything but sad and disappointed if the Bill failed because of lack of time. We agree with most of the Bill's intentions. Many of us admire my hon. Friend the Member for Plymouth, Drake (Miss Fookes) for giving us the opportunity to discuss a difficult problem. As I understand it, most of us, and many other hon. Members who unfortunately cannot be here, accept that there is a nuisance and that genuine distress is caused to residents in many towns. I am pleased to say that in the rather quiet and more salubrious avenues of Cheltenham, which I have the honour to serve, we do not have those problems. We have other problems, of course.

It would be a disaster if we could not speedily find solutions to some of the fairly thin arguments against the Bill. I understand my hon. Friend the Member for Derbyshire, West (Mr. Parris). In trying to dispose of the nuisance, we cannot push on one side the genuine anxiety about protecting the innocent. However, the House has a responsibility to listen to residents associations and the many other groups of people who are distressed by the behaviour we are discussing and the things that happen in their locality. However, we must take care that in sweeping away that activity it does not go under the table and reappear in another form. We must protect the innocents who could be caught up in an offence. We have seen that happen with importuning, and many people have been ruined.

I cannot believe that my hon. Friend the Minister, with his renowned brilliance, could not leap up with a sensible compromise to deal with the problem and save hon. Members from the disastrous blow of losing a Bill which has much to commend it. Does my hon. Friend the Member for Derbyshire, West agree?

Mr. Parris: I agree. If my hon. Friend the Minister will leap up and say that he will insert the word "persistently" into clause 1 or that he is prepared to contemplate doing so, my major anxieties about the Bill will melt away and I shall be able to melt away as well. I should be happy with the Bill were that improvement made. The matter rests on my hon. Friend's shoulders. If he wishes to speed the Bill's progress, he should allow the word "persistently" to be included in clause 1.

I continue as my hon. Friend plainly is not going to interrupt at this stage, although I am willing to be interrupted.

Mr. Mellor: I feel that I cannot refuse that invitation. My hon. Friend is advancing, almost at as great length as he did in Committee, an argument which was shot down in Committee. I may well be able to meet some of the more reasonable points that have been made during the debate if I have the opportunity to catch your eye, Mr. Deputy Speaker. My hon. Friend is blatantly holding a pistol to my head and that of my hon. Friend the Member for Plymouth, Drake (Miss Fookes) and saying that if we include the word "persistently"—flying in the face not just of the Criminal Law Revision Committee's advice and that of the Wolfenden committee that it would make a dead letter of the provision—he will let us have the Bill. What is the point of having a clause which is a dead letter? I should prefer my hon. Friend to take the responsibility for his act of blackmail and for the failure of the Bill.

Mr. Deputy Speaker: I remind the House that one of the reasons why the amendment was not selected was that it was dealt with exhaustively in Committee. The hon. Member for Derbyshire, West (Mr. Parris) must not keep referring to it. He should come to the amendments that have been selected and say why they should be accepted or rejected.

Mr. Parris: I am discussing one of the amendments, Mr. Deputy Speaker—new clause 7. It attempts to import the word "persistently" into the offence that we are trying to proscribe. My hon. Friend the Minister is a man of great competence. I admire and respect his intellect, but occasionally he goes a little too far. That is his failing. He goes slightly over the top, and he has done so again.

I am not trying to blackmail my hon. Friend. I do not wish to blackmail anyone. I do not wish to obstruct the Bill. With my small amendment, the Bill would be good, but without it, it would be bad.

Mr. Mellor: I shall have one more try. It is my hon. Friend's ego that is on trial. The amendments which have been supported by the Opposition go to a different point. They relate to whether the person who is subject to the solicitation should be brought before the court. That is a serious point. When I have the opportunity, I shall deal with it. Hon. Members have also asked whether clause 3 is appropriate, and I want to deal with that. My hon. Friend is ploughing the lonely furrow of "persistently". As you said, Mr. Deputy Speaker, it was dealt with exhaustively in Committee. My hon. Friend might as well accept that he is saying that the House should pass the Bill that he wants. We are not prepared to be blackguarded in that way.

Mr. Parris: I shall tell the Minister and the House why he is resisting my new clause so strongly and why he is happier to deal with the new clauses and amendments which have been tabled by Opposition Members.

Their new clauses and amendments are frankly unacceptable. Although their reasons for tabling them are strong, there are strong arguments against them and the Minister is confident that he can dispose of them. The Minister would rather avoid discussion of my new clause because he knows that the importation of the element of persistence into clause 1 is not a wrecking amendment. It is perfectly workable and would commend itself to a great many people, including the Law Society, which wants something of exactly that nature. I hope that the Minister will deal with that point.

12 noon.

Mr. Mellor: At the risk of assisting my hon. Friend in his filibuster, may I remind him that he has already been told that no amendment dealing with the concept of persistence has been selected, for the very good reason that we spent two sittings on it in Committee and my hon. Friend was defeated. Those who supported him in the Division have accepted that defeat and have come back with other more constructive suggestions, and I believe that in due course, given the opportunity, we shall be able to reach accommodation on them. My hon. Friend is using those other amendments in order to speak in support of an amendment that has not been selected because it was disposed of in Committee. He cannot blame me if I do not find that an attractive proposition.

Mr. Parris: I wish that the Minister would read the Amendment Paper and read the legislation. My new clause 7, to which I am now speaking, says:

"The reference in section 32 of the Sexual Offences Act 1956 to a man persistently soliciting or importuning in a public place for immoral purposes shall be taken as applying to men soliciting women as well as men soliciting men."

Section 32 of the Sexual Offences Act makes it an offence for a man persistently to solicit or importune in a public place for immoral purposes. Therefore, to adopt new clause 7, to which I am speaking, is to import into the Bill the element of persistence, and I am not going out of order, Mr. Deputy Speaker.

Mr. Mellor: My hon. Friend is seeking to widen the ambit of a section in another Act. It might have been a helpful step had it been taken some years ago. However, it has now been overtaken by clauses 1 and 2 of this Bill. It is no good my hon. Friend seeking to assert that an amendment slipped into this Bill to amend another Act of Parliament has the same effect as a primary amendment to a clause of this Bill; it has not. My hon. Friend is trying to change clause 1 of this Bill, and that is not on the Amendment Paper before us. The fact that he wants to use this Bill to amend an Act of Parliament is not to the point.

Mr. Parris: That is not the effect of what I am trying to do. If we widen section 32 in the way that my new clause proposes, and if we vote against clause 1 stand part and against clause 2 stand part, we shall be replacing clauses 1 and 2 of the Bill with a widening of section 32 of the Sexual Offences Act, thus importing the element of persistence into all forms of men soliciting women, from a motor car and from the street. That is my argument, and I remain convinced that it is within order. In order to prevent an unpleasant squabble, Mr. Deputy Speaker, I shall try to move from my new clause 7 as quickly as I can, but I want first to say something in response to what the Minister has said.

It is less than honest—and, with the respect that I have for the Minister's intellect, I find it hard to believe that he honestly believes it—to say that importing the element of persistence into clause 1 will make the Bill a dead letter. I do not believe that, and I do not believe that the Minister can believe it. Section 32 of the Sexual Offences Act makes it an offence——

Mr. Deputy Speaker: Order. The hon. Gentleman is being unfair. He is not to refer to a clause which has not been selected. That is what he has been doing.

Mr. Parris: My new clause 7 has been selected. It refers to section 32 of the Sexual Offences Act and applies it to the offences with which we are now dealing. I believe that it can be so applied, and with benefit. It is already being applied in cases of men soliciting men, and it is not a dead letter. Many cases of men soliciting men are brought successfully. It has not proved impossible for the police to prove persistence; indeed, in many ways it has proved too easy for the police to do that. There is no reason why the same burden of proof should not apply in cases of men soliciting women from a motor vehicle.

Mr. Marlow: My hon. Friend the Minister seems to be getting quite aggressive, hectoring and almost bullying in his attitude to amendments to the Bill. Will my hon. Friend put it to the Minister that the Law Society itself has said that "persistence" should be imported into all aspects of the Bill, including kerb crawling? It is all very well for my hon. Friend the Minister to dismiss us as mere Back Benchers and representatives of people of no account, but he has yet to dismiss the Law Society. What are his opinions on the Law Society's views?

Mr. Parris: I am sure that the Minister will deal with the Law Society's objections to the Bill, as drafted, when he speaks in due course.

I do not care in this House to throw across the Floor examples of distinguished bodies which may or may not support the argument that one is proposing. One mentions them and their evidence and then makes one's own decision on the basis of one's own judgment. That is what I am trying to do.

I turn now to amendment No. 33, on which I do not need to dwell. If the House accepts my new clause 7 it should accept amendment No. 33, because my new clause 7 will effectively replicate for men soliciting women the provisions under clause 2 which amendment No. 33 seeks to delete. Therefore, amendment No. 33 should be taken hand in hand with my new clause 7 and supported for the same reasons as my new clause 7 should be supported.

I turn briefly to amendment No. 40, which has been tabled in the names of the hon. Member for Hammersmith (Mr. Soley) and several other hon. Members. The amendment deals with clause 2 and says:

"at end insert 'in a manner that causes offence or nuisance to others'."

We have dealt with the benefits and with some of the problems of importing into the Bill a requirement that it be proved that the behaviour in question was such as to cause offence or nuisance to others, or such as would be likely to cause offence or nuisance to others. As I have told the House, I think that would improve the Bill, but I do not think that it is so elegant or so fair a way of improving it as my new clause 7. That is why I think that the Minister would rather talk about the other amendments than about my new clause 7. But I shall say one thing on amendment No. 40, which is to be taken hand in hand with the other amendments on nuisance and fear.

If we were to import into the Bill a requirement that nuisance or fear be caused or shown, it would make it harder, if not impossible, for the police to use police women as decoys in entrapping people into an offence such as this and prosecuting them. It would be hard to persuade even the most hardened magistrates that a woman police constable who had specifically behaved in such a manner as to attract the attentions of a motorist could then reasonably complain that she had been caused nuisance or offence by so behaving. Obviously, she would have been doing it in the course of her duty. Nuisance or offence

[Mr. Parris]

would not be caused, so the importation of such a requirement would curb the police in the use of women police constables as decoys.

In Committee, the Minister said something about decoys but not very much. First, he said that entrapment was unthinkable and that it was wrong to use entrapment measures. I point out to him that the police have used entrapment measures for a long time in the prosecution of the Justices of the Peace Act 1361 and are still using them. Now that he has told the Committee that it must not do so, I hope that he will also tell the police that they must not do so.

The Minister then went to to say that he was not sure that a woman police constable who might be in plain clothes and who might simply be walking up — and possibly down — a street would necessarily be taking part in entrapment in the way that we have defined it in Committee and in the way in which we were criticising it. I hope that my hon. Friend the Minister will expand on that as it is clear to me that any police officer—woman or man—who walks or dresses in such a way or stands in such a place as to attract the attentions of men or women seeking to solicit or importune is acting as a decoy and entrapping. I hope that my hon. Friend will make it clear that that is not the right way for the police to deal with this type of offence, which can be prosecuted far more effectively and fairly without encouraging people to break the law so that they can then be charged and prosecuted.

Amendment No. 41 seeks to achieve the same purpose as the previous amendments but in a slightly different way. It provides:

"The person or persons to whom nuisance or offence has been caused may be required to give evidence of such nuisance or offence."

Amendment No. 47 seeks to leave out clause 3. The Chair in its wisdom has decided that the merits of clause 3 are to be discussed with this group, although it is a large and slightly different subject. As I know that other hon. Members will wish to speak on this, I shall be as brief as possible.

Clause 3 states:

"A man commits an offence if he solicits a woman for sexual purposes in a manner likely to cause her fear."

That is very wide. We can all think of circumstances in which men behaving in that way ought to be prosecuted, but there are some circumstances in which that should not be the case. For a start, it seems strange that the clause does not specify that the offence must take place in a street or public place. That being so, it would seem possible for a woman to bring a prosecution against her husband for soliciting her for sexual purposes in a manner likely to cause her fear. The House may regard that as a welcome change in the law. It would also involve concomitant changes in the rape law. The House may believe that those changes should be made, but we should not import through the back door such a wide intrusion into the domestic scene without proper discussion. I should welcome an explanation from my hon. Friend the Minister or from my hon. Friend the promoter as to why the clause is not restricted to streets or public places when it seeks to deal with a public nuisance.

Miss Fookes: Previous legislation has shown that a public place does not include foyers of hotels, cinemas and the like. Although such places at first sight appear to be public places they have been construed in the past not to be so. That is the reason.

My hon. Friend the Member for Derbyshire, West (Mr. Parris) has said that he wishes to be brief. I remind him that he has already been speaking for an hour.

Mr. Parris: I am grateful to my hon. Friend.

I know that I must take care not to mention section 32 of the 1956 Act, Mr. Deputy Speaker, but the circumstances in which it was thought right to prosecute under that legislation were confined to offences in public places, so I cannot see why the same should not apply to my hon. Friend's Bill. I do not know the exact situation with regard to foyers of cinemas, but in general I gather that the legal definition of a public place is wider rather than narrower than the general public would suppose. For instance, I believe that it may include pubs, clubs and other places that one would not generally regard as public places. I believe that it means places to which the public have access. That is just the type of place to which prosecutions for offences of this nature should apply.

12.15 pm

Mr. Marlow: My hon. Friend is being very tolerant to me today, giving way kindly and gracefully on each occasion. The genesis of this measure came from the Criminal Law Revision Committee. As we heard at an earlier stage in the proceedings on the Bill, that committee took the view that conduct which caused fright would probably have features allowing charges to be brought for another criminal offence. To that extent, therefore, activities of the kind to which the clause relates are already covered. Does my hon. Friend agree that in those circumstances clause 3 is redundant and possibly harmful?

Mr. Parris: Clause 3 attempts to deal with a real public nuisance with which other laws already deal, but I do not believe that the existing law satisfactorily covers all the circumstances in which men may make offensive sexual propositions to women in public. In my view, that is because it is almost impossible to frame a law which would effectively isolate that type of behaviour. In other words, the existing legislation has not protected woman in the way that they would like to be protected because no legislation can do so and I fear that clause 3 may fall foul of the same problems.

I am mindful of the fact that I have spoken for too long so I will say nothing further about clause 3 and I shall not comment on amendments Nos. 58, 59 and 60, which have already been reasonably fully discussed.

My amendment No. 61 would allow a person accused under clause 3 the right to trial by jury if the accused prefers that to a summary trial in a magistrates court. Similar amendments in relation to clauses 1 and 2 have not been selected.

In the context of male-to-male importuning, the Criminal Law Revision Committee considered whether men accused of such offences should be entitled to trial by jury. On page 17 of its 16th report, it concluded:

"There is no doubt, however, that a conviction for homosexual soliciting can have consequences of the utmost seriousness for a man. Most members of the public are likely to take a serious view of the offence. Partly for this reason and partly because the evidence in support of the charge is likely to be given wholly by the police special provision may have to be made to enable an accused person to retain his right to trial by jury."

I agree with the Criminal Law Revision Committee in the context of section 32 offences and I believe that exactly the same arguments apply to offences under clause 3—and, indeed, under clauses 1 and 2.

Which of us, and which of the distinguished members of the Criminal Law Revision Committee, would feel confident that our careers could survive a conviction either under section 32 or under clause 1, 2 or 3 of the Bill? Our careers would be in serious jeopardy. A conviction of that kind would spell, if not certain ruin, at least the danger of ruin for almost all professional people and, indeed, most others. Anyone enjoying a reasonable reputation in his family and neighbourhood who is successfully convicted of an offence under the Bill will find that if his life is not completely wrecked his reputation is all but destroyed.

In that context, the penalties set out in the Bill are not especially severe. We all know that the real penalty for a conviction is not the two months imprisonment or the £100 fine but the newspaper publicity and the public knowledge of the conviction. That is almost as severe a punishment as can be meted out to anyone. For that reason, it is important that in cases of this kind the accused should have the right to trial by jury. If he prefers a quick trial in a magistrates court, he should be able so to elect, but if he believes that he is innocent and wishes a jury to hear the case there is every reason to allow him that right. That is the thinking behind the last of my amendments.

Mr. Stuart Holland (Vauxhall): Hon. Members on both sides of the House recognise that the Bill addresses itself to genuine problems. However, many hon. Members believe that action should be taken only if the Bill is amended or if certain concession are made. I shall address myself to that, and especially new clauses 3 and 4.

I do not agree with the hon. Member for Derbyshire, West (Mr. Parris) who believes that the evidence of two policemen who witness an incident on a public transport vehicle should be sufficient, despite the fact that the person approached may have disappeared. Clearly one side of that argument is the anxiety to protect the interests of the individual who is being offended. The other side is that such a provision could be used as a new kind of sus law. Many of my constituents have made representations to me about that. Claims could be made by the police without evidence from another party. The hon. Gentleman stressed that that could damage professional people, but it could also damage non-professional people. Many of my constituents are relieved by the suspension of the sus provisions.

The Bill needs to be amended along the lines of new clauses 3 and 4. It is not even-handed or consistent. It is regrettable to insist that a woman who is solicited in such a way as amounts to a criminal offence under the Bill should have to give evidence in court, whereas the evidence of a police officer alone is sufficient to obtain the conviction for soliciting of a woman who has been labelled, again on police evidence alone, as a common prostitute. If a woman were to have to give evidence to secure a conviction under the Bill, it should be subject to legal, not just guideline, safeguards. The defendant should not have to give her name and address publicly and she should not be asked questions about her sexual history or lifestyle. My hon. Friend the Member for Hammersmith (Mr. Soley) made those points, and I endorse them.

The change to the Bill should not be called for without at the same time demanding that no woman should be convicted of soliciting for the purposes of prostitution—whilst such an offence continues to exist—without the evidence of the man who was allegedly solicited. The House should address itself to that inconsistency, even at this late stage, and I hope that the Minister will pay attention to it.

I wish to make some summary points about how we should strengthen the Bill if it is to proceed. I propose that "sufficient evidence" is the word of the woman accosted or concerned. Secondly, will the Minister assure the House now—it will help hon. Members to decide how to vote—that a woman should not have to give her name and address in open court for the defendant, representatives, associates or press to hear? That is an extremely important safeguard, and I trust that the Minister will concede that point when he replies. Thirdly, will he assure us that a woman will not be questioned about her sexual history or moral character? Fourthly, if the police fail to prosecute, legal aid should be available——

Mr. Marlow: I accept that that is most unpleasant and distressful. However, does not the hon. Gentleman agree that evidence about a woman's background may have a significant effect on the validity of the evidence? Could not an innocent person be accused and found guilty because of the inadequacy of the evidence and because it has not been examined properly and in context?

Mr. Holland: Women in my constituency who have made representations on the matter regard it as important that questions about sexual history should not be raised. If they were, they would be unwilling to give evidence. Many women are in fear when they walk on the streets, especially in inner city areas. If we are to protect them, there should be a procedure by which they can be identified and their identity known, but not known in open court, as they could then be subject to further harassment following their appearance in court. Many hon. Members know from constituency experience that that occurs. It has certainly occurred on estates in my constituency, and the matter has been brought to my attention by the women involved.

It is important that the annoyances should be interpreted. There is a coincidence in one sense between the subjective and objective criteria in the Bill. It is not the adjectival and substantive point that has been made, but if the person involved is prepared to give the evidence—that is subjective evidence for them and objective evidence in court—it should be given.

I encourage the Minister to pay attention even at this late stage to those points. If he is prepared to concede them, he may get a more favourable response from some Labour Members.

Mr. Mellor: The debate has gone on for nearly three hours and it may be convenient to the Committee if I put the Government's point of view. During the morning I have discussed the developing position with my hon. Friend the Member for Plymouth, Drake (Miss Fookes), and I have reason to believe that what I say will be said on her behalf as well as mine.

There is a substantial element of common ground and sufficient goodwill among most hon. Members for progress on the Bill to be made. However, I cannot meet certain points because I cannot recommend a Bill which would not achieve its purposes. Those who wish to insist on a measure which will negate the measure's purpose

[Mr. Mellor]

—however much they may claim to the contrary—must take it on their heads if the consequence of their dissatisfaction is the destruction of the Bill. As Emerson once said, the more he protested his honesty, the more we counted the spoons. The more people are determined to pursue an egotistical view of what the Bill should contain, and the more they are determined that everyone should fall in line as the price of allowing the measure to be passed, the more they must take personal responsibility for the fact that the measure is not passed.

Mr. Marlow *rose*——

12.30 pm

Mr. Mellor: No, I shall not give way at this stage.

There is common ground between Ministers and Opposition Front Bench spokesmen, and I wish to build on that today. The hon. Member for Hammersmith (Mr. Soley), who has spoken with great clarity and sincerity at every stage of the Bill's proceedings, made it clear that two matters are common ground between us. I suspect that he was speaking for his hon. Friends when he said that, especially for the hon. Member for Barking (Ms. Richardson), who speaks for the Opposition on women's issues and who recognises, as we do, that many women are following today's proceedings with close interest. The hon. Gentleman said that women have the right to go anywhere without fear of harassment, and that there is a major problem in some parts of the country.

That is an important statement because, as I said to the Committee, when the Wolfenden committee considered the matter in 1957, it believed that the difficulties of changing the law on kerb crawling were such that it was inappropriate to do so because it was not persuaded by the evidence at the time that the problem was substantial enough to justify grappling with the difficulties. However, the committee made some far-reaching and worthwhile recommendations for change in other parts of the criminal law, which most of us present today would have accepted at the time.

The problem has developed since then. We heard an eloquent speech from the hon. Member for Tooting (Mr. Cox) about the problems in his constituency which extend to the constituency of the hon. Member for Battersea (Mr. Dubs). I am sorry that I must intervene in the debate before he does, but he knows why that must be so. We also heard from my hon. and learned Friend the Member for Leicester, South (Mr. Spencer), and I know that my hon. Friend the Member for Southampton, Itchen (Mr. Chope) was also in his place ready to speak. All of them spoke about the problems caused by kerb crawling in their constituencies.

The Criminal Law Revision Committee undertook a painstaking review of the present law and its inadequacies, advised by a much more broadly based committee of non-lawyers. I would be the first to agree, as a lawyer, that lawyers do not have the only views on this matter. Therefore, a policy advisory committee was established consisting of distinguished social workers, educationists, psychiatrists and the rest to advise on some policy areas. The Criminal Law Revision Committee said that every group but one recognised that the problem of kerb crawling was sufficiently acute in enough areas to require a change in the law. Therefore, it proposed a change in the law.

However, we all recognise that when we change the criminal law — as the junior Minister responsible for criminal law, I say this openly—there must be a heavy burden of evidence in favour of that change. Every time we add an offence, we add the possibility of unreasonable prosecution and unfair conviction. The only reason for changing the law is that the problem has become so acute that we need an offence, and no other offence is available except the rusty old blunderbuss of the 1361 Act.

Mr. Marlow: Will my hon. Friend give way?

Mr. Mellor: My hon. Friend has been jumping up and down all morning. I wish to develop the argument and, when he has heard a little more, I shall be happy to give way to him, in the hope, which I trust will not be in vain, that he is here to try to be reasonable on this issue.

The Criminal Law Revision Committee recommended three distinct offences that are reproduced in my hon. Friend's Bill. The first dealt with kerb crawling, by which we mean the solicitation of women from a motor vehicle, and provided that it is an offence if a man solicits from a motor vehicle a woman for the purposes of prostitution. The committee then addressed the problem of the solicitation of women on foot, because it recognised that, if it did not do so, the kerb crawler would simply go on foot. It recognised the distinction between the problem of solicitation from motor cars and the less acute social problem of solicitation on foot and, therefore, recommended that solicitation on foot should have an element of persistence. It was not accidental that it left the element of persistence out of clause 1, and I shall defend that position in due course in the hope that I can remain within the rules of order. We had an exhaustive debate on it in Committee.

The committee then proposed a third, more serious offence not restricted to a public place. A public place has been defined restrictively in the courts so that it does not include places that you, Mr. Deputy Speaker, or I as ordinary mortals, might consider to be public. The committee proposed a broader offence, punishable more severely, of a man soliciting a woman for sexual purposes in a manner likely to cause her fear.

Let me deal with what might prove to be the easier issues first. It has been no secret — I had this conversation with the hon. Member for Hammersmith at all stages of the Bill—that my hon. Friend the Member for Drake and I are least happy with clause 3. We recognise the problem that must be addressed, and we recognise the reasons why the Criminal Law Revision Committee made the recommendation that it did. The dilemma was brought into sharp focus by several hon. Members who spoke in the debate, especially by the hon. Member for Bow and Poplar (Mr. Mikardo), with whom I had a helpful exchange. The Criminal Law Revision Committee recommended a formulation for the offence, which it believes is objective and does not place an innocent male in danger of encountering an especially troubled female, which would lead to an unreasonable suggestion that she had been put in fear by something that he said.

A number of hon. Members at all stages of the Bill have expressed reservations as to whether the mischief met by clause 3 sufficiently outweighs the doubts about the way that it is drafted and its underlying thinking. They are worried about whether people will be exposed to the threat

of being brought before courts when the case for adding this more serious and more widely cast offence has not been properly made out.

Having discussed the matter with my hon. Friend the Member for Drake as a result of the opportunity offorded by the extended speech made by my hon. Friend the Member for Derbyshire, West (Mr. Parris)—the speech served a useful purpose on that count at least—I am happy to say that I would be minded to recommend the House to accept amendment No. 47, which deletes clause 3, on the basis that, as a consequence of the discussions that we have had, it would be appropriate for us to say not that we do not think that there is a problem of women being placed in fear and therefore nothing needs to be sorted out, but that we are not satisfied that the way in which that is being done in the Bill is the right way. Time is of the essence now, and rather than fall out over this and lose other parts of the Bill on which there is more widespread agreement, it may be better to lose clause 3.

I hope that this compromise, endorsed by my hon. Friend the Member for Drake, will show that we are prepared to listen to those points on which it is possible to make progress without damaging the fundamental purpose of the Bill.

Mr. Marlow: Any change in the right direction is welcome. Will my hon. Friend, as well as bringing into play the evidence of those august bodies that support his argument, address the argument of the Law Society that, for kerb crawling, persistence is of the essence? Will he comment on the remark made to him by the National Association of Probation Officers which he quoted in a parliamentary answer? It was that the Bill

"might lead to allegations of harassment from disadvantaged groups, and to police officers acting as agents provocateurs; that the police already had sufficient powers to deal with this nuisance, but have given little priority to it". — [*Official Report*, 20 March 1985; Vol. 75, c. 495.]

Mr. Mellor: I do not know why my hon. Friend is not prepared to allowed me to make my speech in the usual way and have the faith in me that others have. They know that if major issues have been raised in the debate, I shall deal with them in my own time. I do not know why he seeks to interrupt me and to distort my speech with the answers to questions that he wants rather than allowing me to deal with the matter. I said that I would give way to my hon. Friend if, at the end of my remarks, I had failed to satisfy him.

My hon. Friend spoke of taking a step in the right direction, which is different from the response that I think most others will make, which is that this has swept away most of the impediments that lie in the path of the Bill getting a Third Reading. It is interesting that, from his standpoint and perspective, he should consider this as merely a step in the right direction. I am interested that it appears that the welfare of women is of so little moment to him that he can regard the removal of one third of the Bill as being merely a step in the right direction. Many people, including his constituents, may be interested to know on what basis he has reached that view.

Mr. Marlow *rose*——

Mr. Mellor: I was not intending to provoke my hon. Friend into explaining it now. He will no doubt tell us at a later point.

I hope that I have established the good will of those who are anxious to make progress with the Bill by saying that I am persuaded that clause 3 might usefully be deleted in the absence of the clear consent to the balance that it strikes that I should want to see before we make progress. I shall now address some other difficult points.

Some matters relating to the manner in which prosecutions are likely to be brought and the way in which the police will approach the powers that we shall give them under clauses 1 and 2, if we do so, are worthy of consideration and have been raised in the debate. It is important that there should be clarity about the way in which the police will approach their powers. That is why I welcome the clear evidence from the Metropolitan police that it wishes to give signs that would enable the House to proceed with confidence. I am sure that police committees in other police forces can obtain the same clarity. Indeed, it is the wish of the Home Office that that should be done.

On the point raised by my hon. Friend the Member for Derbyshire, West, not only have we told the House that we are against the use of an agent provocateur, but that finds its way into the force orders. The question of what is an agent provocateur is open to debate. I stand by what I said in Committee—that a policewoman dressed in a sexually provocative manner might constitute an agent provocateur, whereas a policewomen walking down the street soberly dressed would not. If a problem in an area causes the public to look to the police for assistance, a woman who is properly and reasonably dressed and not calling attention to herself is exercising the right of any woman. The fact that she is a policewoman does not make her an agent provocateur. The crucial safeguard against police abuse of that power is contained in clause 1.

The hon. Member for Vauxhall (Mr. Holland) made his points with considerable lucidity and in short order. I wish to respond positively to him. I am not being trite in saying that I know that he has heavy responsibilities as a Front Bench spokesman on other matters and was therefore unable to be with us when the matter was first raised. I take seriously any charge that this is a return to the sus laws. I was proud to be a member of the Committee that abolished them. I was opposed to them because of my experience as a lawyer. Therefore, I was glad that one of the first Committees on which I served removed them. Indeed, I campaigned strongly for their abolition. I hope that that gives me a certain credibility in these matters.

The problem with the sus laws was that all that needed to be shown was that someone was behaving suspiciously. Clause 1 goes further than that. The requirement is that a man has solicited a woman for the purposes of prostitution. That act of solicitation requires a clear indication in words. Therefore, that will rarely be open to construction from distant observation. There will hardly be any places where actions would be a substitute for words. It requires clear hearing of the words used. Therefore, that will almost always require that the woman was blatantly a prostitute, got into the car and went off with the man—therefore action is the substitute for words—or it would require the woman to come forward with a complaint about the words used and for that to be established.

There is no scope for the police, on their own, to deal with that matter in the manner in which the critics of the sus laws suggest. I hope that the hon. Member for Vauxhall accepts that that is a careful distinction. I would not recommend clause 1 if I thought that in my sixth year in Parliament I was putting back into law what I was so pleased to take out in my first year.

[Mr. Mellor]

The Metropolitan police orders make it clear — I imagine that other force orders do the same—that when under section 32 of the Sexual Offences Acts a man has been importuned, that man should be approached and asked to give his name and address and to attend court. If the victim refuses to give that assistance, the particulars should be noted in the officer's pocket book and stated in evidence.

12.45 pm

If the Bill becomes law, it is crucial that precisely the same arrangements should be instituted for women alleged to be the victims of an offence under clauses 1 and 2. That would provide a number of safeguards, which meets the point made by the hon. Member for Hammersmith. He fairly pointed out that the major reform that is proceeding with all-party consent for the creation of an independent prosecution service is of great relevance to this matter. It will mean that, when the police have charged someone, the papers have to be passed to the independent prosecutor. He will have to look at those force orders and, if it is clear that an individual was solicited and that individual was not a prostitute and therefore had no good reason for saying that she would not come to court, one of the deciding factors about whether the independent prosecutor was prepared to recommend the prosecution would have to be whether he was satisfied with the good faith of the officers as demonstrated in their explanation of why the woman would not come to court.

It would be possible for the woman to be approached again at that stage and asked whether she would give a statement and attend court. It would be open to the independent prosecutor — I stress the word "independent", because we are abolishing the solicitor-client relationship between the police and their solicitors — would be entitled to say that he would not allow the prosecution to go forward and that he was not satisfied with the strength of the evidence because the independent component was missing.

The matter would then have to go before the court, and again the officer would have to note in his pocket book the reason why assistance was refused. That would be brought out in court, and it would be open to the magistrates to decide for themselves whether they thought that a conviction was proper if they were not satisfied with the explanation about why the woman complainant was not present.

I hope that those are sensible safeguards. If within the parameters that I have set out there is a feeling amongst hon. Members that other steps could be taken as part of the discussions between us and the police force about what is found in force orders, that is a matter upon which we are always ready to give constructive advice and assistance. But I am not prepared to recommend any suggestion that it should be compulsory for the woman to give evidence or that a provision should be put into the statute to the effect that using such words as "nuisance or fear" had that effect.

I have said that in most cases it will be obviously right if a woman is an innocent member of the public that she will want to give evidence. But it is the clear advice of successive committees which have studied this matter that the effect of requiring someone alleged to have been annoyed to give evidence would be to enact a dead letter.

I shall not quote the Criminal Law Revision Committee's report because most hon. Members have read it and have their views about how far they are persuaded by it. But given that most hon. Members, especially those antipathetic to this measure, will favourably regard the Wolfenden report, it may be worth reminding the House what that said about this. That committee was discussing not kerb crawling but parallel offences relating to solicitation by prostitutes. However, the argument is robust against that limited change. The Wolfenden report said in paragraph 255:

"The proposition that to require the person alleged to have been annoyed to give evidence would be to enact a dead letter applies to the person annoyed by the loitering of prostitutes no less than to the person annoyed by an act of importuning. It probably applies even more, since it is unlikely that a resident in a neighbourhood where annoyance is caused by the loitering of prostitutes would be prepared to go to the courts day after day to establish the fact that he was annoyed. Indeed it seems to us unreasonable that he should be required to do so."

That is what my hon. and learned Friend the Member for Leicester, South said.

In paragraph 252, the Wolfenden committee said:

"At the same time, like the Street Offences Committee, we recognise it as an irrefutable fact that in general persons accosted will not attend the courts to give evidence. Consequently, to enact that there should be no conviction unless the person alleged to have been annoyed gave evidence and proved personal annoyance would be to enact a dead letter."

I hope that the House will accept that we are anxious to make progress by accepting amendments where that can properly be done. But there are two amendments that would be fatal to the purposes of the Bill. The first would be to import——

Mr. Parris: Will my hon. Friend give way?

Mr. Mellor: Let me first finish my sentence, and then I shall give way to my hon. Friend. I have not forgotten that he wishes to intervene and, if it is part of a constructive dialogue, I shall be only too happy to assist him if I can. However, I listened to him for an hour and 10 minutes, admittedly not with a great deal of patience but with a little more than perhaps he is showing, so I hope that he will bear with me.

Showing fear or nuisance is plainly not a matter that a prostitute would be prepared to go to court to support.

The problem in the constituency of the hon. Member for Tooting is the use of the area by prostitutes on the street. Therefore, any nuisance or annoyance would have to be a nuisance or annoyance suffered by the community, which would be difficult to establish for evidential purposes. It is unlikely that an individual will be on the scene. It is more likely that people will know that this is taking place day after day and is causing women not to want to walk in that area. In those circumstances, it is unlikely that anybody will be able to come forward if the woman who is solicited is a prostitute. If, therefore, we imported into clause 1 nuisance, fear or any of these concepts, we should render the clause a dead letter in the constituency of the hon. Member for Tooting and other constituencies.

Furthermore, if a perfectly respectable woman is walking home, there may be perfectly good reasons, as Wolfenden recognised, why she would not want to go to court. Therefore, the safeguard of an independent prosecutor would prevent wrongful convictions based upon improper police evidence. I believe that that is

sufficient to satisfy those who want to make progress on kerb crawling and who also want to ensure that there are safeguards to protect those who are potentially innocent.

My other point relates to the element of persistency. Mr. Deputy Speaker has already said that because the element of persistency was so fully gone over during five hours of debate in Committee, the matter is not before us formally. The reason for clauses 1 and 2 is, as the hon. Member for Tooting has made clear on a number of occasions, that the nuisance of kerb crawling is not that of somebody kerb crawling twice. It is the nuisance of many people kerb crawling once, twice or three or four times and making the area seem to be a place where kerb crawling is a predominant night-time activity. To say, therefore, that the element of persistency is needed would not address the problem. It is arbitrary. If the problem in Bedford hill were that of 50 men each night soliciting twice, it would deal with it, but if the problem were that of 100 men each night soliciting once it would not deal with it. In my view, that would be unreal.

Furthermore, if the intention of the Bill is not only to catch the kerb crawler but to send out the message that kerb crawling is now unlawful and is therefore to be deterred, we blur the deterrent if we import the element of persistency because it would lead people to believe that if they kerb-crawled only once and made a hit the first time they would not be breaking the law. The clear deterrent is not then established. My aim in promoting the Bill is not that there should be a great deal more work for the criminal courts. It is that we should send out the message that kerb crawling is now against the law. That in itself might have the impact that we require and would prevent the problem. Now I give way to my hon. Friend the Member for Derbyshire, West.

Mr. Parris: In answer to the remarks of my hon. Friend the Under-Secretary about persistency, I can only say that the same argument he directs towards kerb crawling under clauses 1 and the reasons why he thinks that persistency should not need to be proved under clause 1 are equally applicable to soliciting women who are walking on the pavement. In parts of Britain, this is a serious nuisance. If my hon. Friend makes it easier to prosecute the motorist rather than the pedestrian, in parts of Britain it will become a much more serious problem. The same argument about 10 women once or five women twice applies to section 32 of the Sexual Offences Act 1956, relating to male importuning. Both in that case and in his proposals under clause 2 persistency is required. There is no reason why, if persistency is required in those cases, it should not also be required under clause 1. In answer to——

Mr. Deputy Speaker (Sir Paul Dean): Order. This is an intervention, but the hon. Gentleman is making another speech.

Mr. Parris *rose*——

Mr. Mellor: I am not prepared to allow my hon. Friend to filibuster my speech.

Mr. Parris: On a point of order, Mr. Deputy Speaker. I tried to answer earlier a point that was made by my hon. Friend but he asked me to wait until he had finished making his point.

Mr. Deputy Speaker: Order. I am saying to the hon. Gentleman that interventions must be brief, in fairness to other hon. Members who are hoping to make contributions.

Mr. Mellor: I am grateful, Mr. Deputy Speaker, for that assistance. I do not want to be rude to my hon. Friend but he appears to be unaware of how provocative his behaviour in relation to the Bill has seemed to others.

Mr. Parris: It is my hon. Friend who is being provocative.

Mr. Mellor: Anyone who feels that should look at the report of the Committee proceedings and see some of the things that were said of my hon. Friend. Several of my hon. Friends accused him in far more robust terms than I did of wishing to talk the Bill out and he knows that.

My hon. Friend will continue to take the view that there is no difference between what happens on foot and in a motor car. The distinction is a narrow one. Perhaps he is asking me to say that the element of persistency should be removed from the offence committed on foot. My hon. Friend shakes his head. He is not asking that. He is asking that the element of persistency should be imported into the offence of solicitation from a motor vehicle.

I can only look to those hon. Members who have that problem in their constituencies and have lived with it year after year. I am thinking particularly of the hon. Member for Tooting. Does the hon. Gentleman believe that, if I were prepared to buy off my hon. Friend the Member for Derbyshire, West by importing the element of persistency into clause 1, I would bring peace and quiet to the neighbourhood of Bedford hill? I see that the hon. Gentleman is shaking his head. He thinks that I would not, because he acknowledges that the problem of kerb crawling is the totality of incidents, some of which would involve only one act of soliciting. One act of solicitation multiplied several-fold can construct the nuisance which we are here—if we are here to do anything—to avoid.

Mr. Marlow: Will my hon. Friend give way?

Mr. Mellor: I can hear my hon. Friend. He does not need to shout. Let me finish my point.

I have discussed the matter with my hon. Friend the Member for Drake. She is clearly of the opinion, as I am, that rather than put through a Bill that purported to deal with kerb crawling but did not do so, as a result of accommodating this point of "persistently" and other matters, we would rather not have the Bill at all. It would be a fraud on the public to have clause 1, amended as my hon. Friend the Member for Derbyshire, West would wish, because it would not do the job and I am not prepared to be a party to such a fraud.

Ms. Jo Richardson (Barking): The Minister made the point a minute or two ago that the Bill's purpose was to spread the message that kerb crawling was not on. I understand that point and the points which have been made about protecting non-prostitute women from being molested and harassed. But will the Minister say something about contact between prostitutes and their clients?

Mr. Mellor: That is a very real point. The hon. Lady knows that the reason we are dealing with the matter in a somewhat piecemeal way is the particular urgency of the problem of kerb crawling. As a result of the hon. Member for Tooting having an Adjournment debate earlier this

[Mr. Mellor]

year, in which he raised, in particularly vivid terms, the problem of Bedford hill, I asked the Criminal Law Revision Committee to speed up its report on kerb crawling. It did so and we are most grateful to it for that. However, the Bill does not dispose of the difficult issues concerning prostitution. They will be difficult to resolve. I am sure that hon. Members on both sides of the House will wish to play a part in doing that. My anxiety is that by waiting upon a more whole-scale reform we might not make progress in areas where it may more easily be made.

I appreciate the hon. Lady's point. The prostitute, by being in the street in a provocative way and being kerb-crawled, is almost certainly soliciting. Therefore, we do not make the position any more difficult. However, I accept that the Bill, modest as it is, does not deal with a number of points that are of concern to many hon. Members.

Mr. Marlow: I am grateful to my hon. Friend for giving way again. My hon. Friend obviously feels that if persistence is imported into clause 1 the Bill will be weakened. But how much will it be weakened? If a man in a motor car drives down a street and opens his window not once but twice, there is a degree of persistence about that. The Bill may be weakened, but marginally. Against that, the Law Society says that the Bill as it now stands may bring about the wrongful conviction of innocent men. Would not my hon. Friend rather have a just Bill which is 90 per cent. effective than one which will bring about wrongful conviction?

1 pm

Mr. Mellor: My hon. Friend did not attend the Second Reading debate and did not seek to serve on the Standing Committee. He seems to have come to the Bill late, and one might reasonably wish that it had been even later. The matter raised by my hon. Friend was dealt with fully in Committee, to the satisfaction of all except my hon. Friend the Member for Derbyshire, West. The hon. Member for Hammersmith has moved on to other territory and arrangements have been made that, on balance, will probably satisfy him. My hon. Friend the Member for Northampton, North is leaping on the bandwagon after it has left the station and is halfway to heaven knows where.

The Law Society's report was given proper weight in five hours of debate in Committee. The Law Society has not renewed its representations and, on that basis, one is entitled to assume that it is reasonably satisfied, as well it might be.

We must accept that either we are to do something about the problem and that we have reached as good an arrangement as we are likely to reach—with perhaps more to come if the Bill proceeds to another place—or, if the Bill does not make progress, that we shall not address these important issues, including those in clause 4, which raises the penalties for serious sexual offences to a more realistic level. The only person with whom that proposal does not find favour—for reasons that I find staggering—is my hon. Friend the Member for Northampton, North. He has tabled an amendment to delete clause 4. Everyone else finds the clause reasonable and rational.

I set out earlier the ways in which we can minimise the prospects of wrongful conviction. I shall enumerate them again, for the benefit of my hon. Friend the Member for Northampton, North, who may have missed that section of my speech while he was busy thinking up interventions.

I said that clause 1 states a clear need for words of solicitation, to give precision to the offence, and evidence from the woman concerned will be required to ensure conviction. I set out the police rules which I believe offer safeguards and I mentioned the remit of the independent prosecution service. I also said that magistrates are not a rubber stamp in these proceedings.

I should be more than content for there to be a debate in another place about whether it would be right to allow trial by jury, although I do not believe that that would be appropriate, as we are pitching the penalties well within the range of magistrates courts, with the aim of providing a speedy summary remedy.

Of course we shall all want to know how the Bill has worked in practice. I am more than willing to accede to the request of the hon. Member for Hammersmith that within a period to be determined, whether 12, 18 or 24 months, we should place a report in the Library about how sections 1 and 2 have worked. *[Interruption.]* I do not know why my hon. Friend the Member for Northampton, North finds that funny. The hon. Member for Hammersmith does not find it funny. I am agreeing to his request.

We would be prepared to put in the Library a report on the number of arrests that have been made and whether they had led to prosecution. A discrepancy between those numbers would suggest that too many people were being arrested on grounds that were not endorsed by the independent prosecution service. The report could also show the number of prosecutions compared with the number of acquittals, which would show whether the law was being used reasonably or oppressively.

On that basis, and with the undertaking that I shall accept amendment No. 47, I hope that we may make progress.

There is considerable merit in new clause 7, which was tabled by my hon. Friend the Member for Derbyshire, West. He sees it as an alternative to clauses 1 and 2, but I see the merit as the fact that it reverses the decision in Crook *v.* Edmonson which gave an unduly narrow definition of importuning under section 32. If that had been done 10 years ago it might have provided a helpful stopgap but it would not have dealt with the menace of kerb crawling. I regard new clause 7 as largely irrelevant to the stage which we have now reached. There is a willingness on both sides of the House to allow clauses 1 and 2 to become law. Having heard a number of concessionary utterances in my reply, I hope that my hon. Friend the Member for Derbyshire, West will not feel that he wants to press new clause 7 to a Division or to pursue his opposition to the Bill.

Mr. Ernie Roberts (Hackney, North and Stoke Newington): The argument would not have been as great and as difficult as it is if the Bill had dealt wholly and solely with the problem of kerb crawling and had not tried to deal with the problem of prostitution which is known as the oldest profession. The difficulties that we are debating have arisen because the Bill seeks to deal with prostitution generally.

No Bill will be able to solve the so-called problem of prostitution and no Bill should attempt to do so. We are dealing with nothing less than the freedom of the

individual and consenting parties. The right of a person to sell his or her services under the pressure of poverty, unemployment or any other economic circumstances is one of the freedoms of the individual.

The new clause and the amendments have been tabled to protect the innocent and to enable persons to go about their legal and legitimate activities without being caused offence by others. The act of prostitution, which is illicit sex, is not in itself a criminal act.

My constituency includes Brownswood in the Finsbury Park area, which probably has a worse kerb crawling and prostitution problem than any other area in Britain. That has been so for some years. Barriers have been put across many roads so that kerb crawlers cannot crawl, but that has not got rid of prostitution on the streets or stopped soliciting. Kerb crawlers get out of their cars and walk. The more barriers that are erected the more that kerb crawlers are pushed out of the area, but the problem of prostitution continues.

I shall refer to the evidence of the vice unit which has been operating from Stoke Newington police station. I invited the chief superintendent in charge of the unit and one of his fellow officers to attend a debate, which they did. The chief superintendent had prepared a report that drew comparisons based on the 1984 figures. He reported that there had been a 70 per cent. reduction in the number of prostitutes cautioned and a 40 per cent. reduction in the numbers arrested. In 1984, about 120 women were involved in cautions and arrests. Over 400 kerb crawlers were cautioned and 17 were convicted. A number of ponces and controllers of brothels were arrested and convicted and 10 persons were still awaiting trial for conspiring to control prostitution. The reduction in cautions and arrests has been the result of the policy of the police to keep their officers on the roads and to let them be seen—in other words, the policeman on the beat, who is being asked for almost continually. The policy is to deter by way of the presence of police officers rather than spend time in the police station processing offenders.

It is clear that the police are using existing powers to deal with problems. The Law Society says that section 5 of the Public Order Act 1936 was used to deal with the problem of threatening behaviour which arises out of soliciting and that the law of common assault has been used and can be used.

My constituents and Hackney borough council have discussed the matter. They want action taken to deal with kerb crawling but they do not want prostitutes to be victimised. The problem of prostitution has been with us for centuries and it will not be solved by this Bill. Prostitutes have put forward their experiences. They say that the police arrest women whenever they please whether the woman is working or not, possibly because police evidence only is required. No jury trial is available for offences of loitering or soliciting, and magistrates rubber-stamp police stories. They believe that the same will happen with kerb crawling in cases involving black and other, working-class, men. It is difficult to obtain legal aid because the offences of loitering and soliciting are not punishable by imprisonment. They believe that the same would apply to kerb crawling. Working-class people would therefore suffer the most.

Some prostitutes are arrested by the police whenever they are seen. They feel that men convicted of kerb crawling will be treated in the same way, and that because most red light areas are working-class, black and other working-class men will be convicted.

My hon. Friend the Member for Tooting (Mr. Cox) has left the Chamber, but in relation to police action against kerb crawlers, Wandsworth council has said:

> "What the police have been doing, with some measure of success, is to identify the driver who persistently cruises around the area by his car number plate and subsequently invite him to attend the local police station to 'discuss his presence in the area'."

That has had an effect upon kerb crawlers.

I am disturbed by a case on 17 May in Bristol which was brought to my attention. A person was entrapped by police action. Two policewomen in plain clothes gave evidence that a man solicited them for sexual purposes. He denied that emphatically. It became a matter of the word of one of the policewomen as to what he said against his. That case is typical of other cases where a policewoman's word is taken against that of a motorist. In that case an innocent motorist was convicted and fined £100.

The National Association of Probation Officers discussed the matter at its conference. Its members have considerable experience of the problem. The conference resolved to resist any legislation seeking to control kerb crawling by the creation of new offences within the criminal law. That resolution was carried by 445 votes to 282. We should take note of it. It shows that there is considerable opposition to action being taken against prostitutes under this so-called kerb crawling Bill.

There is anxiety about kerb crawlers in my constituency, but there is also anxiety about the prosecution and persecution of innocent people. Many black people and ethnic minorities live in and around my constituency. They remember their experiences under the sus law. They are worried. They continually complain to me about the way that they are treated by the police. There will be further aggravations. I can envisage a considerable number of problems coming my way as the police are given new powers to pick up people as a result of what is called kerb crawling.

We cannot rely on the evidence of a policeman or policewoman alone. There must be a victim who is prepared to give evidence. Without that evidence, the risks that would be taken would be far too great. The Bill would cause more problems than it would cure. Unless it is amended, it should be opposed.

1.15 pm

Mr. Marlow: May I say at the outset how sorry I am that my hon. Friend the Minister has accused me of not being concerned for the women of my constituency. I think that that was an ill-advised and somewhat stupid thing to do. I am as concerned for the problems of my constituents, women and men, as no doubt he is for his own constituents.

It was also somewhat remiss of my hon. Friend the Minister, before the debate started, to advise me that if I opposed what he, in his great wisdom, was attempting to do, he would spread my face, large and wide, across the national press. I do not believe that that is the way for a Minister to proceed, and it is totally counter-productive to what he is seeking to do.

I also say to my hon. Friend the Minister that to accuse my hon. Friend the Member for Derbyshire, West (Mr.

[Mr. Marlow]

Parris) of being an egotist was a mistake. The trouble with the Minister's egotism is that he is so much of an egotist that he does not realise it.

My hon. Friend the Minister is wrong to say that, because one was not on the Committee or one did not attend the Second Reading debate, one should not take an interest in the issue at this stage. He should know the practice of this House. Not everybody is on a Committee and not everybody has the opportunity to be on it. Not everybody gets involved in an issue at every stage, nor is it right that they should do so. The Minister should recognise that.

I am full of admiration for my hon. Friend the Member for Plymouth, Drake (Miss Fookes) for bringing forward the Bill. It deals with a vital and important social issue, which has to be addressed. Many of us have a great problem in our city areas. No doubt my hon. Friend has in her city. Many of our citizens, women in particular, are affected adversely. They are distressed by what is going on at present. They believe, quite rightly, as I do and as does my hon. Friend the Member for Derbyshire, West, that something should be done. I hope and believe that something will be done. However, that does not mean to say that just anything should be done.

My hon. Friend's approach reminds me of the story of the Guards sergeant-major who was taking a cadet instructing a drill squad. The cadet was not very good. As the squad was disappearing across the parade ground towards the field at the edge, and ever more towards the horizon, and the cadet did not know what to do, the sergeant-major turned to the cadet and said, "Say something, boy, if only good-bye." That is the approach, to some extent, of my hon. Friend the Minister—"Let us do something." My approach is to say, "Let us do the right thing." It may take a little more time, but this is a vital fundamental social issue. It is a very complicated social issue. Anything to do with sex is highly complicated, highly emotional and highly technical. Let us not rush something through just because we happen to be here today. We owe it to our people to get it right.

I am sorry if what I am doing and saying does not fit in with the very real, true and proper purposes of my hon. Friend the Member for Drake. She has performed a signal service in bringing the issue at this stage in this place to the attention of the public. I believe that, having done so, it is right and proper that the Government should follow up her initiative and make sure that we have a proper law on the issue. As we can see from the number of amendments on the Amendment Paper, this is not an issue that should be dealt with in a Private Member's Bill. It is too fundamental, too complicated and too important for that. The time available for private Members' Bills is limited, as is the number of Members available to become involved. I hope that Government will take up this issue and produce a proper solution to the problem.

Miss Fookes: My hon. Friend praises me for introducing what he apparently regards as an item for discussion. I put it to him with all the force at my command that the Bill has been introduced with a view to action and I am deeply disappointed at the attitude that he is now taking.

Mr. Marlow: I understand and respect that. My hon. Friend has been deeply involved and has worked very hard with others who wish the measure to go forward as quickly as possible. With the greatest respect, however, this is a complex, deep and important issue and we must get it right. If we get it wrong, innocent people may suffer. *[Interruption.]* I know that innocent people are suffering already, but other innocent people may suffer.

My hon. Friend the Minister has rightly and properly said that the Government are prepared to accept some amendments and we respect that position, but other amendments are needed to prevent innocent people from suffering. I am sure that my hon. Friend the Member for Drake, despite all her hard work and the massive support for her measure, would not wish Conservative Members to allow a measure to go forward that would allow innocent people to suffer. I am sure that she will agree that we need the right measure and enough time to get it right.

Miss Fookes: Of course I am concerned that the innocent should not suffer, but my hon. Friend is overplaying that argument to a marked extent and ignoring the feelings of the many residents and women who, day in and day out, are the victims of this kind of practice.

Mr. Marlow: I could not possibly do that, because my constituents are most concerned about this, as no doubt are those of my hon. Friend the Minister. My concern is to get it right and I believe that that is what my constituents expect of me.

Mr. Parris: Does my hon. Friend agree that this is not just a complex issue but a very narrow one? The reform of the law on prostitution is a much wider issue which should have been tackled long ago. We are now awaiting the report and recommendations of the Criminal Law Revision Committee. Does my hon. Friend agree that this matter should be tackled in the context of those recommendations?

Mr. Marlow: As in most—indeed, probably all—his arguments on this, my hon. Friend is right again. Governments of all persuasions have always tried to leave these matters on the back shelf. That is one of the tragedies. The Bill deals with an important side issue rather than addressing the real problem. All these aspects should be taken together, but Governments have been reluctant to do so.

Even if the Government do not go forward on the whole issue, there are several more amendments and I am sure that my hon. Friend the Minister wishes them to be properly debated. If we do not have time to finish the debates today, it is open to the Government to provide further time on a future occasion. If they do not wish to do that, they should take the first opportunity to address themselves to the matter in great detail so that the whole House can be involved in overcoming this aspect of the problem even if the Government do not wish to become involved in the other aspects about which my hon. Friend the Member for Derbyshire, West is rightly concerned.

There is one point that has not been answered so far. Many people rightly point out that laws already exist which can and do allow the police to deal with the problem if they find it convenient or necessary to do so. Argyll square was mentioned. I remember reading in the press about a major problem in that area near King's Cross. There was a strong police presence in the area and the problem has been, if not wholly, to some extent overcome. That implies that remedies are available. When my hon.

Friend the Member for Derbyshire, West intervened—I hope that a peace will break out between us now—he said that in a submission to him the National Association of Probation Officers said that the police already had sufficient powers to deal with the nuisance, but that they had given it little priority. When my hon. Friend the Minister speaks again, I should like him to reply to that point because it has not yet been satisfactorily answered.

New clause 3, which was tabled by the hon. Member for Hammersmith (Mr. Soley), states:

"A man commits an offence if in a street or public place he solicits women (or the same woman) for sexual purposes in a manner which causes nuisance or fear."

I do not wish to split hairs, but I am not sure of the meaning of the words "or the same woman". It may be a slip of the pen, or my understanding of his point may be inadequate. I am not a lawyer, and I should like more information about and greater understanding of part of the new clause.

A man commits an offence if he solicits a woman. At what stage does a man solicit a woman? If a man is driving down a street, a woman beckons to him, he responds, and she engages him in conversation, as a result of which a deal is struck, is he soliciting the woman? How far does the woman have to go for the man not to be soliciting, and how far does the man have to go, irrespective of what the woman is doing, for him to be soliciting the woman? That is an important question. The courts know what is meant by a woman soliciting for prostitution. That has been around for generations, and the courts know how to deal with it. I should be grateful if the hon. Member for Hammersmith would explain how he would define a man soliciting a woman if the woman is standing on the street waiting for him?

Mr. Soley: The amendment sought to achieve corroboration. My argument centred on corroboration to avoid the danger of a wrongful conviction. The words

"women (or the same woman)"

are taken from other parts of the Bill, and do not change the position. I am not a lawyer, but I understand that if a man said to a woman, "Will you give sex for money?", it is an offence. That proposition may be made to one woman or a series of women in the street.

Mr. Marlow: I accept that but, in my innocence, I am not wholly sure what the hon. Gentleman means by a man soliciting a woman. What is the act of soliciting by a man when a woman offers him her services for money? Where does that act take place? How is it defined? We do not know.

Mr. Soley: The act becomes a criminal act under existing law when money is offered for the sexual favour. In other words, it is the point at which an offer based on money is made. If the hon. Gentleman walked up to a woman in a street and said, "I like you," that would not be an offence of soliciting. However, if he walked up to her and said, "I would like to go to bed with you and I offer you £10 to do so," he would have committed an offence.

Mr. Marlow: I hear what the hon. Gentleman says, but I am an innocent abroad, and I am unlikely to be involved in the circumstances that he suggested. My innocence will remain until such time as an eminent lawyer like my hon. Friend the Minister informs me what this means.

New clause 4 states:

"An offence under section (Soliciting a woman for sexual purposes in a manner causing nuisance or fear) shall not be proved unless the person who has been caused nuisance or fear gives evidence of such."

That important matter has been extensively discussed today. One of the weaknesses of the Bill, for which I do not blame my hon. Friend the Member for Drake—it is a complicated issue and it was drafted at short notice—is the evidential aspect of how someone may be found guilty of this offence. I hope that the Government will introduce their own Bill, and I hope that that Bill will deal with this aspect.

1.30 pm

Mr. Parris: May I put to my hon. Friend a point that I wished to put to my hon. Friend the Minister, but was not permitted to? My hon. Friend the Minister said that he will issue instructions to the police that, where someone is charged under this section, the woman concerned must be approached and invited to give evidence. I welcome the intention behind that assurance, but would not the practical result be that the police will quickly realise that, if the woman is a prostitute, there is not much point in bringing a charge because a prostitute will not give evidence? If the woman is a respectable and deeply offended innocent passer-by, she may not wish to give evidence. The only cases in which the police will be able to bring charges successfully is where the woman is a police constable—where a WPC is used as a decoy. Will not the practical effect of the Minister's assurance be that the police will be able to prosecute such offences only by using agents provocateurs?

Mr. Marlow: If that were the case, I should be extremely unhappy. My hon. Friend will know that later amendments deal with the corroboration of evidence and what evidence should or should not be accepted in court. When we address those amendments, if my hon. Friend and I are sufficiently persuasive so that the House agrees with us, some of the problems that he mentioned could be overcome in that way.

New clause 7 was moved eloquently by my hon. Friend the Member for Derbyshire, West. Persistence is one of the kernels of the issue. I put it to my hon. Friend the Minister in an intervention that the Law Society believes that, if there is no persistence in kerb crawling, the innocent are likely to suffer, will be taken to court and possibly found guilty. My hon. Friend is a lawyer and a Home Office Minister. I put it to him that, above all, he should not wish innocent people to be put through the courts and found guilty of offences that they did not commit. My hon. Friend said that the Law Society had not reinforced its evidence, but I am not aware that it has retracted the point. If the Law Society, which is made up of eminent solicitors, who are more often involved in such court cases than are barristers, believes that injustice may be done, my hon. Friend should take account of the fact.

Miss Fookes: Although I normally accept the views of the Law Society as being responsible and cogent, I thought that the arguments it put forward to deal with the Bill were extraordinarily weak, and I could not believe that they came from the Law Society.

Mr. Marlow: That is my hon. Friend's view. I am sure that she examined the arguments in great detail——

Miss Fookes: I did.

Mr. Marlow: —and has good reason for putting forward that view.

Mr. Parris: That may be the view of my hon. Friend the Member for Drake, but my hon. Friend the Minister

[Mr. Parris]

gave the impression that he had persuaded the Committee of that view. That was inaccurate. He later acknowledged that he had not persuaded me, and it is not clear whether he persuaded Opposition Members. I know that he did not persuade my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), also a lawyer, who argued cogently for the insertion of the word "persistently" and was never persuaded that that was an unsound argument.

Mr. Marlow: I read in detail the Committee proceedings, and noted that my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), for whom we have the greatest respect—he is one of the brightest of the intake in 1983 and a good lawyer—was not convinced by the case that the Minister was making on this subject, as my hon. Friend the Member for Derbyshire, West has said. It is important to bear that in mind. The Committee was not unanimous and some knowledgeable Members were not of one mind with my hon. Friend the Minister.

Amendment No. 33 suggests that the House might wish to delete in total clause 2. The Bill is about kerb crawling and clause 2 has been introduced to back up provisions against kerb crawling, but as well as doing that it has a radical effect on what would go on outside the motor car. It makes it an offence for a man persistently to solicit women on foot. This is a new departure. We know that it is wrong to sell milk to the general public in certain ways —one has to go through the Milk Marketing Board. We know the various laws about shops, but seldom is the consumer prosecuted for buying the goods.

Clause 2 suggests that the customer, probably for the first time in history outside drug laws, should be prosecuted for being in possession of or consuming the goods. This may be necessary—I do not know because I do not have sufficient expertise on the matter. At this stage I should prefer to see clause 2 deleted, but if my hon. Friend the Minister can give me some assurances on it, I may be prepared to change my view. It may be acceptable to have, as the Government are suggesting for dog licences, an element of devolution, so that local authorities can decide, according to the nature of the problems and the public views in their areas, how best to react. It may be that the way to deal with clause 2 is to allow that to become a byelaw in an area where the problem is so significant that this approach has to be adopted.

Mr. Parris: Does my hon. Friend agree that if the Home Office or the Minister were to give us some sign of their thinking as to how the prostitute should seek and meet her clients—in other words in what circumstances she was able to solicit for or find clients within the law—it would be easier for us to agree with my hon. Friend the Member for Drake that the prostitute should not do this on the pavement and to the annoyance of the general public? If only we could tell prostitutes how they should carry on their trade, we would be much more within our rights in stopping them from carrying on their trade in a way that is a nuisance.

Mr. Marlow: As I have said, and as has been said by the National Association of Probation Officers, the police have the powers should they wish to deal with the problem of pavement prostitutes, and that has been shown in certain parts of the country. When I was young and at Sandhurst, I understand that Soho used to be a glorious place for people to go, but along came Sir John Wolfenden and Soho was cleaned up and the pavement rules were tightened up. There were no longer prostitutes standing there, dangling their ankle chains on the pavements.

Secondly, while I agree with my hon. Friend that it would be much better to solve the problems all at once, there has been an enduring reluctance on behalf of Governments to tackle this problem face on and to deal with it in a sensible and satisfactory way. Political risks are involved that should not be underestimated.

Mr. Parris: They should try.

Mr. Marlow: Yes, they should try, but let us concentrate first on the real menace of kerb crawling and get a satisfactory solution to that. I hope that my hon. Friend will agree with me on that.

I should be happy to withdraw my support for amendment No. 33, which provides for the removal of clause 2, if the Minister would give us an assurance that the provision would be reintroduced in a way that would not be mandatory or nationwide but would allow local authorities, should they so wish, to introduce byelaws. Otherwise, it is using a sledgehammer to crack a nut, which is not necessary.

Amendments Nos. 40 and 41 have been cogently argued by the Opposition spokesman. They are intended to ensure that the provisions should apply only where a nuisance is caused. That is a sensible way to approach matters. If someone is not harming, affecting, disturbing or disrupting anyone, the idea that that person should be taken before a court, have his reputation destroyed, be fined and, if the fine is not paid, go to prison, is a little heavy.

I am pleased that the Minister has agreed to accept amendment No. 47, so there is no need for me to say any more about it. My hon. Friend was wise to accept it.

The import of amendment No. 52, which my hon. Friend the Member for Derbyshire, West has clearly described, is known to the House. Amendments Nos. 58 to 60 apply to new clause 3. As new clause 3 is no longer, there is no need for me to say anything about them.

Mr. Parris: My hon. Friend has not mentioned amendment No. 61 dealing with penalties and mode of trial. I hope that, even if not under this group of amendments, he will come later to the question of jury trial.

Mr. Marlow: I should let my hon. Friend into a secret — his amendment No. 61, which he addressed so passionately, is grouped in the sixth group of amendments not the first group. Therefore, not only will I have an opportunity to address myself to that amendment when we reach it, but, if my hon. Friend has any second thoughts, he will be able to broaden the knowledge of the House on the matter.

I say again to my hon. Friend the Member for Drake that she is to be heartily congratulated on bringing up in the Bill this social problem and, in many respects, social menace that upsets and distresses so many people. I believe and hope that a measure will be enacted without delay, but I believe that it must be a Government measure.

Ms. Jo Richardson: I had not intended to intervene on this group of amendments, and I shall not detain the House

for more than a few minutes. As time is passing, it appears that the amendments to which I had intended to address more lengthy remarks might not be reached. Therefore, I had better speak now.

I do not often find myself in agreement with the hon. Member for Northampton, North (Mr. Marlow), who tries to cross swords with me on many occasions. He nods; I am sure that we will continue to cross swords. I am glad that the Minister has said that he is willing to withdraw clause 3, which has caused many hon. Members a number of problems. Also, many people and organisations outside the House have been nervous about the implications of the clause.

We do not yet know whether the hon. Member for Plymouth, Drake (Miss Fookes) is willing to accept the removal of clause 3. I shall be interested to hear what she has to say.

1.45 pm

Miss Fookes: I am sorry. I thought that it was made clear by the Minister that he spoke not only for himself but for me in agreeing to the withdrawal of clause 3. For the avoidance of doubt, I repeat it.

Ms. Richardson: I am glad that the hon. Lady has made that clear, because earlier she was vehement in saying that she did not want any disturbance of the words that she had put into the clause, including the word "fear".

Miss Fookes: I was seeking to clarify what I thought the clause meant, which was not what the hon. Member for Hammersmith (Mr. Soley) said that it meant. It was not that I was powerfully in favour of the clause. I thought that its meaning was being misinterpreted, and I was seeking to put that right.

Ms. Richardson: I am grateful for that clarification.

The principal reason why I agree with some of the remarks of the hon. Member for Northampton, North is that I am still worried about some aspects of the Bill and still think that some of the drafting gives me and many other people cause for alarm.

I should prefer, as often happens — this is not to knock private Members' legislation, because I have myself been privileged in my parliamentary life to introduce such a Bill—to see the Government themselves introducing legislation. A private Member's Bill is not always the best way to make laws to cover a very complicated subject.

Despite what the Law Commissioners said, and despite the legal minds that have been brought to bear on the subject, we still need to give it considerably more thought before giving the police a lot more power than they have at present—power which they do not need to cope with this problem.

The offensive kerb crawler who is harassing non-prostitute women should be capable of being dealt with under our existing laws. I think that I reflect the views of many women when I say that it is simply that the police do not give the protection of women a particularly high priority. They do not see kerb crawling, in terms of both prostitute and non-prostitute women, as a problem to which they should pay much attention.

Having devised a Bill to give the police extra powers, Parliament will obviously encourage them to arrest people, and it may be that they will arrest people who will be severely disadvantaged by these extra powers in a way that the House does want to see.

I am very much in sympathy with women who reside in districts and who are not themselves prostitutes but are subjected to kerb crawling. Perhaps I may be allowed to recount an incident which, believe it or not, I experienced. The hon. Member for Derbyshire, West (Mr. Parris) will no doubt recall the story.

I was going home from the House one night, travelling on the underground rather than, as is my habit, by car. I had left Hammersmith Broadway station and was walking to my flat which is five or six minutes' walk along Hammersmith road. Believe it or not, a kerb crawler came alongside me, and I could see him out of the corner of my eye. The passenger door of the car was half open, and the driver was leaning across the front seat. I do not know what gave me the courage at that hour, well after midnight, but I walked over, held the door open and said, "Yes, what can I do for you?" Slightly startled by my approach, he replied, "I wondered if you would like to go for a drink." I said, "Oh, I see. I am a police woman, and I thought that you intended to ask the way." At that point, he was gone like a flash.

I realise that I was myself breaking the law by impersonating a police woman, and I not know that I should ever have the courage to do the same again. But it brings me to a serious aspect of this matter to which we shall come in later amendments. It is that police women can go round in plain clothes and act as agents provocateurs, in the way that several hon. Members have already described. I do not believe that it is good enough that that should happen. Those who will suffer will not be non-prostitute women but women who are prostitutes.

In considering both this Bill and future legislation, we have a duty to protect the rights of prostitutes. In this Bill we are reducing the possibility of prostitute women meeting their clients in a reasonable way. We shall make it very much more difficult for them to continue to ply their trade. The public may have views about whether that is desirable. I make no comment about that at all; it is a fact of life. We shall make it much more difficult for prostitute women to continue to ply their trade. We may drive them underground, which we may not want to do, where they may well be subjected to more violence than is the case under the present law.

Mr. Soley: My hon. Friend has made an important point. Both in Committee and on the Floor of the House perhaps the most useful point to have emerged is the need to address the problem of how the prostitute is to meet her client. If we are not careful, the Bill will result in all kinds of unintended consequences which will make matters worse. My hon. Friend is right to make that point. There is also the problem of how to deal with the effect of prostitutes meeting their clients in certain limited geographical areas of the United Kingdom. That is the problem we have been tackling, and it has caused difficulty.

Ms. Richardson: I agree with my hon. Friend. I was not on the Committee, and I apologise to the House for not having attended the debate on the Second Reading of the Bill. However, during the last few weeks I have had one or two other private Members' Bills on my mind. I should have been pleased if there had been a move in the Bill towards the decriminalisation of prostitution. There is too much of a criminal element in something which ought to be looked at in a very much more rational and liberal way.

[Ms. Richardson]

We have to face the fact that the safety of women who are prostitutes is not dealt with in the Bill. It may increase their isolation. It may result in prostitutes being more vulnerable to attacks, blackmail and pimps because they are cut off from regular access to clients with whom they are now able to make contact because their clients are in cars. One needs to consider the problems which they face. Their lives should not be made more difficult. We must also consider making the lives of non-prostitute women easier because, quite rightly, they do not wish to be harassed by kerb crawlers. Women who are prostitutes may well be forced underground in order to evade the police.

Poorer men and black people who are driving cars may also feel increasingly nervous. Already they are, understandably, nervous of the police. They feel that they are subject to harassment if they stop their car for any reason. They may do so not to speak to a woman but to post a letter or to buy a packet of cigarettes. When they open the door to get out of the car, a woman may be passing, and they may be pounced upon by the police if they have these extra powers.

Mr. Marlow: The hon. Lady has touched on an important point. We may view the police in slightly different ways, but one thing that I am sure we are both concerned about is the respect in which the public hold the police and vice versa. One of the problems that has arisen over the past couple of generations has been that the necessary involvement of the police in motoring offences has caused rough edges to develop between the public and the police. If this measure were enacted, as is now suggested, it is my real fear, as I think it is probably the hon. Lady's, that there will be further rough edges which will exacerbate problems in the relationship between the public and the police, which is something that I am sure we both wish to avoid.

Ms. Richardson: Absolutely. I am embarrassed at being so much in agreement with the hon. Gentleman. That is something that I am worried about. As the hon. Member for Derbyshire, West (Mr. Parris) pointed out, not all members of the public look at the nitty-gritty of the words, dots and commas of every Bill and Act. We all run the risk of inadvertently breaking the law. I do not know whether, if the Bill were to become law, everybody would be aware of the new offences which suddenly slid on to the statute book which might result in their being penalised when they were doing something innocently. Indeed, it might not be a good thing if they were made nervous by new offences.

The thrust of this group of amendments is that there must be proper corroboration of whatever the police suggest that people are doing before they can suggest it. I hope that even at this late stage the hon. Member for Drake will think again about the Bill and that the Government and all hon. Members will think for longer and much more closely and deeply about what we need to do in order to deal with the problem properly.

I very much want to see women more protected by society and by the authorities in society than they are. But that kind of protection must be a proper protection and it must not be confined to one particular set of women. It must take in the needs of all women in Britain, whatever their profession, wherever they live and whatever we may think of the way in which they live. They have as much right to protection from us and the House as anyone else.

Mr. Tony Lloyd: I want to place on record a number of brief comments which may mirror some of the arguments that have already been put forward. I agree with the line that my hon. Friend the Member for Barking (Ms. Richardson) chose to pursue on the defence of women who work as prostitutes. Inevitably, the Bill does affect them because it has chosen to look at prostitution, not simply the problem of kerb crawling, and I regret that. Unfortunately, the Bill has become snared on that issue. Good will exists in the House and the country to tackle effectively the problem of kerb crawling, but because we have complicated matters we have aroused worries and fears on all sides.

I welcome the withdrawal of clause 3. That is an important step forward which I freely acknowledge. I look forward to the Minister making clear what he means by the review process. It is important that we should know precisely what will be contained within that. Clearly, we need to be able to ascertain exactly what will happen when the Bill arrives on the statute book. If the fears that have been mentioned today prove to be justified, appropriate action should be taken.

I am particularly worried about two issues. The first, relating to the problem of persistence, the Minister has dismissed and described as an internal worry within the Conservative party between himself and the hon. Members for Northampton, North (Mr. Marlow) and for Derbyshire, West (Mr. Parris). However, the problem of persistence occupies the minds of many more than just his hon. Friends. It occupies the minds of a number of hon. Members, because it touches on points that were raised in Committee, where there was a debate which ended up with a vote, but we were not all satisfied that the right decision was taken.

2 pm

The crux of the debate is the balance between the rights of my constituents who are oppressed by the unsolicited actions of kerb crawlers and the rights of constituents who are not vocalising their fears because they do not realise that they might be affected if the Bill were passed. It is important that the balance of evidence should be shifted to give protection, particularly — I do not say this aggressively — in a community such as the one that I represent where, for a host of historical and social reasons, people's attitudes towards the police have changed and the relationship between the people and the police has deteriorated.

The force of the arguments put by my hon. Friend the Member for Hammersmith (Mr. Soley) in moving the new clause holds good. I welcome the limited progress that has been made, but I hope that the Minister and the hon. Member for Plymouth, Drake (Miss Fookes) recognise the serious worries that will continue to preoccupy many hon. Members, even though we support the concept of action on kerb crawling.

Question put, That the clause be read a Second time:—
The House divided: Ayes 10, Noes 33.

Division No. 203] **[2.5 pm**

AYES

Brown, M. *(Brigg & Cl'thpes)* Golding, John
Corbyn, Jeremy Hughes, Simon *(Southwark)*

Maynard, Miss Joan
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Smith, C.*(Isl'ton S & F'bury)*
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*

Tellers for the Ayes
Mr. Tony Marlow and
Mr. Matthew Parris.

NOES

Bulmer, Esmond
Clark, Sir W. *(Croydon S)*
Cocks, Rt Hon M. *(Bristol S.)*
Cope, John
Cox, Thomas *(Tooting)*
Dykes, Hugh
Fookes, Miss Janet
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Fry, Peter
Grant, Sir Anthony
Hamilton, Hon A. *(Epsom)*
Hunt, David *(Wirral)*
Leigh, Edward *(Gainsbor'gh)*
Lilley, Peter
Lloyd, Peter, *(Fareham)*
Macfarlane, Neil
Mayhew, Sir Patrick
Mellor, David
Moynihan, Hon C.
Murphy, Christopher
Nicholls, Patrick
Page, Richard *(Herts SW)*
Pavitt, Laurie
Renton, Tim
Rossi, Sir Hugh
Shepherd, Richard *(Aldridge)*
Sims, Roger
Smith, Tim *(Beaconsfield)*
Stewart, Ian *(N Hertf'dshire)*
Thomas, Rt Hon Peter
Thorne, Neil *(Ilford S)*
Waller, Gary

Tellers for the Noes:
Mr. Christopher Chope and
Mr. Derek Spencer.

Question accordingly negatived.

New Clause 8

NO PUBLICITY BEFORE FINDING OF GUILT

'Pending or during any proceedings under this Act it shall be an offence to mention publicly, publicise or broadcast the name or names of anyone accused under its provisions before such time as such person or persons is found guilty.'.—*[Mr. Marlow.]*

Brought up, and read the First time.

Mr. Marlow: I beg to move, That the clause be read a Second time.

The Bill, as hon. Members know, is important. One of the main concerns that has been exhibited so far is the potential problem of an innocent person being found guilty. Innocent people can suffer the damage of being found guilty even when they are not guilty. The purpose of the new clause is to prevent that from happening.

The Bill seeks to have fines of up to £400 for most offences. For those arrested, taken to court, prosecuted and then found to be innocent, their punishment would be many times worse than a £400 fine.

We are dealing with the sort of issue that, rightly or wrongly, can damage reputations in a particular way. I know that my hon. Friend the Minister, as a lawyer, will realise that there is not a verdict of guilty in every case that is taken to court, but I put it to him that when a person is arrested, taken to court, and found to be innocent, having had the case publicised in the newspapers, he will be regarded as guilty by many of his peers. There is an expression that there is no smoke without fire, and this is a very fiery issue.

The purpose of my new clause is to ensure that no publicity should be given in any shape or form to any purported offence until the person concerned has been found guilty. Without that provision, great miscarriages of justice could take place. I believe that the Minister would not wish that to happen any more than I would.

What is involved here in the relationship between a man and a woman is not illegal—the Criminal Law Revision Committee said in one of its papers that it is not even an immoral activity — yet somebody arrested by a policeman, prosecuted and taken to court suffers very grievously if the case is given publicity. It is wrong that such publicity should be given in advance of a verdict.

One can imagine some of the people who could be involved and some of the reputations that could be destroyed. It would not do us any good as Members of Parliament should we be picked up and charged with any of the offences dealt with in the Bill. The hon. Member for Hammersmith (Mr. Soley) said that when he was a probation officer he used to speak to people on the streets, and that some of them might well have been prosecuted. He might have been picked up inadvertently and wrongly. If publicity had been accorded to him in such circumstances, there would have been great damage to him. It could happen to a Member of Parliament, a lawyer, a judge, an army officer, or anyone from any walk of life.

There is not only the question of a person's professional reputation. There is the damage to the family when publicity is given after someone has been wrongly picked up by the police. It could happen to a husband after 10 years of married bliss. A husband could be going about his business in a proper and dutiful way and as a result of some mistake have his name and the purported offence emblazoned in the press for all the world to see. That would not be very nice for his wife, his marriage, his children, his relations or his friends.

The difficulty, as I have said, is that there is a feeling, deep in most people, that there is no smoke without fire. People have a feeling that if they read something in a newspaper it must be right. If people read about a case in the newspaper and the man is eventually found by the court to be innocent, the original banner headlines will not be repeated; there will simply be a small paragraph somewhere on the inside pages of the newspaper, where no one will read it. But the damage will have been done and the reputation destroyed. The position will then be irredeemable. That is why I hope that the new clause will be acceptable to the House. I remind the House that in rape cases, anonymity is granted in certain circumstances.

In the past, terrible problems could have arisen as a result of publicity. There was a theory at one stage that George V's elder brother, Prince Eddie, was Jack the Ripper. Think what could have happened if a case involving a member of the Royal Family—the next but one in line to the throne—had been emblazoned on the front pages of the press in relation to something that had not happened and of which he was found to be not guilty.

Other aspects of the Bill concern many hon. Members, especially my hon. Friend the Member for Derbyshire, West (Mr. Parris) and myself. We are concerned about the evidence that will be needed and how it will be adduced, and what interpretation will be put upon the term "soliciting". There is uncertainty and concern that in some circumstances the police might be over-enthusiastic in their duty. People might be taken to court unnecessarily and then found not guilty.

I give an example from my own experience. I hasten to add that it did not concern the type of activity under discussion today but it concerned the role of the police. I was driving home behind a police car which was going fairly slowly. There is no law or rule against overtaking a police car, so I did so. Almost immediately after that, there was a hiatus further along the road which caused me to brake aggressively, causing the police car behind me to do the same. The police then pulled me into the side of the road, got me out of the car and started abusing me for

[Mr. Marlow]

dangerous driving, and so on. They said that they intended to prosecute me for crossing a double white line. I swear before this House that I did not cross a double white line. That would have been a very stupid thing to do, given that I was overtaking a police car, so I was ultra-careful. But there were two policemen and me. What was I to do? Should I go to court and testify against two policemen? That would not work. Their evidence would be accepted and mine would be rejected.

Precisely the same thing can happen in other areas, including that under discussion today. Over-zealous police, rightly seeking to sort out a local problem, to protect the neighbourhood and to provide a decent environment for the women of the area to live in without being pestered, might indulge in a campaign and wrongly pick someone up. In those circumstances, there is not just the danger of the person being wrongly found guilty but the danger that even if found innocent his reputation will be besmirched beyond redemption. I should like to hear the views of my hon. Friend the Member for Plymouth, Drake (Miss Fookes) on that aspect and I hope that she will accept the new clause.

Miss Fookes: I am not prepared to accept the new clause because it seems to me to run very much against the general way in which we treat those accused of crime, which is that justice should be seen to be done publicly. There is only limited exception to that and I do not think that it is warranted in this case. So my short answer is no, I am not prepared to accept the new clause.

I should add that I have been deeply disappointed, not to say angered, by the general line taken by my hon. Friends the Members for Northampton, North (Mr. Marlow) and Derbyshire, West (Mr. Parris) in particular. A very reasonable compromise was offered, I found the Opposition very reasonable in their approach, and I believe that we could have done real business and gone on to put on the statute book a modest measure which would have been of real service to those women and residents who are being affronted and harassed at present.

I am sorry to have to say this, but there has been filibustering by my two hon. Friends. It is clear from the time that we shall not get the Bill through, so let us be blunt. The Bill has been killed off by the actions of two of my hon. Friends. I feel deeply hurt and very, very angry.

Mr. Tom Cox: I share the view expressed by the hon. Member for Plymouth, Drake (Miss Fookes) about the new clause moved by the hon. Member for Northampton, North (Mr. Marlow), which would run contrary to the way in which we expect our courts to behave. I am appalled at what has happened in the House today. All hon. Members who served on the Committee, and even hon. Members who did not serve on it, are aware that some aspects of the Bill caused anxiety. However, the Minister gave us a firm assurance, in response to my comments and those of my hon. Friend the Member for Hammersmith (Mr. Soley), that we respect the rights of all citizens who may find their way innocently into areas of prostitution—I have such an area in my constituency—but that we want to see safeguards. It was to the credit of the Minister that he gave an extremely-firm assurance that the matter would be referred back to the House within a reasonable time, and that detailed reports would be made about the legislation's effect on areas where kerb crawling exists about the types of action and numbers of prosecutions initiated by the police. I was more than willing to accept that.

The hon. Member for Derbyshire, West (Mr. Parris) was actively involved in expressing his opposition. Although we may not accept all his comments, we respect hon. Members who have a record of expressing their views, whether we agree with them or not. I try to give him credit for having consistently expressed his reservations about the Bill since Second Reading.

However, the hon. Member for Northampton, North has done a grave disservice to the House today. We have witnessed a classic example of the destruction of legislation for which for many years many of our constituents have been crying out. I am not the only hon. Member who has received requests for such legislation from his constituents. Many hon. Members representing many parts of the country have received similar requests.

In response to an intervention, the hon. Member for Drake said that, regrettably, no legislation was 100 per cent. perfect, and that we could all make criticisms of it. I was convinced that at long last we had a genuine opportunity to start to tackle the problem. For many years and under successive Governments my constituents have asked me to try to get action taken. We had that opportunity. What is more, the Minister assured us that there would be detailed reports back to the House. I made it clear that if it was found from the reports that there were reason for serious anxiety about how the legislation was being implemented, I would tell my constituents that I could no longer support it. But, unfortunately, we have lost everything because of the actions of the hon. Member for Northampton, North. It is an utter disgrace. Constituents throughout the country look to their Members of Parliament to help them with this problem. We have lost that opportunity.

Mr. Parris *rose*——

Mr. Deputy Speaker: Order. Is the hon. Member for Tooting (Mr. Cox) giving way?

Mr. Cox: No, Sir. I have concluded my speech.

Mr. Christopher Chope (Southampton, Itchen): I wholeheartedly endorse the comments of my hon. Friend the Member for Plymouth, Drake (Miss Fookes) and the hon. Member for Tooting (Mr. Cox). It is extremely sad that today, because of the wrecking behaviour of one or two of my hon. Friends, innocent victims of the kerb-crawling nuisance have been denied a remedy for which they have long been looking. It is certainly a sad day for Southampton.

I hope that my hon. Friend the Minister will introduce alternative legislation in the next Session, although he cannot support this Bill further during this Session. There is a desperate need for the problem to be solved by law, and I hope that the Conservative Government will not go easy on their efforts to achieve that objective.

Mr. Parris: There is a need for the problem to be addressed by law, but it should be addressed by the Home Office. The general law on prostitution must be reformed, and we need a Government Bill that deals with all the problems of prostitution at once. We must deal with how the prostitute meets her client, kerb crawling, and the keeping of a disorderly house——

It being half-past Two o'clock, the debate stood adjourned.

Private Members' Bills

CHARITIES BILL [LORDS]

Read the Third time, and passed, without amendment.

GENERIC SUBSTITUTION (NATIONAL HEALTH SERVICE) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 12 July.

TOBACCO PRODUCTS (SPORTS SPONSORSHIP) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 12 July.

LICENSING (AMENDMENT) BILL [LORDS]

Order for Second Reading read.

Bill read a Second time, and committed to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills).

GREATER EMPLOYEE INVOLVEMENT BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker (Sir Paul Dean): Second Reading what day?

Mr. Esmond Bulmer (Wyre Forest): Friday 12 July, Sir.

Mr. Deputy Speaker: Does the hon. Gentleman have the authority of the hon. Member concerned to name a day?

Mr. Bulmer: Yes, Sir.

Second Reading deferred till Friday 5 July.

COMMERCIAL RATE LIMITATION (SCOTLAND) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

MINIMUM WAGES ETC. BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 17 May.

HORSES AND PONIES BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 17 May.

WORKING CONDITIONS OF GOVERNMENT TRAINEES BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 17 May.

PROTECTION OF THE RIGHTS OF THE ELDERLY IN HOME OWNERSHIP BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 17 May.

ABOLITION OF FORTH AND TAY ROAD BRIDGE TOLLS BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

TOWN AND COUNTRY PLANNING (PROTECTION OF TREES AND WOODLANDS) (AMENDMENT) BILL

Ordered,

That it be an Instruction to the Committee on the Town and Country Planning (Protection of Trees and Woodlands) (Amendment) Bill that they have power to extend the provisions of the Bill to Scotland.—*[Mr. Freeman.]*

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Wednesday 15 May, Standing Order No. 3 (Exempted Business) shall apply to the Motion in the name of Mr. Secretary King relating to the draft Unfair Dismissal (Variation of Qualifying Period) Order 1985 with the substitution of One o'clock or three hours after it has been entered upon, whichever is the later, for the provisions in paragraph (1)*(b)* of the Standing Order.—*[Mr. Archie Hamilton.]*

Speke Hall

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

2.33 pm

Mr. Esmond Bulmer (Wyre Forest): Speke Hall outside Liverpool has been described by Professor Pevsner as one of the four best timber-framed mansions in England, and with its farmland and woodland is an asset to Merseyside. It was accepted by the National Trust, on whose executive committee I serve, in May 1943 with an endowment of £10,000, on condition that Liverpool corporation would take a lease for 99 years, under which it would be responsible for all the repairs and maintenance, taking into account the endowment fund. In 1974, the lease was taken over by Merseyside county council, which has done a first-class job in refurbishing the house. More than £1 million has been spent, but another £300,000 is required to complete the work.

Under the Bill to abolish the metropolitan councils, the Government are proposing that the house will revert to Liverpool city council. This is the nub of the problems that I wish to draw to the attention of my hon. Friend the Minister. He is well aware that Liverpool is a great city fallen on hard times. Some 100 years ago, Lord Derby thought it a greater honour to be lord mayor of Liverpool than to be Prime Minister—a somewhat different scene from today, when the Government are having to embark on a whole range of special measures to prevent the city from falling into irreversible decay.

The shadow of this decline has been apparent for some years. As far back as 1947, James Lees-Milne, reporting on a visit to Speke Hall, wrote:

"I drove to Speke where we were met by the Town Clerk, the City Engineer and a member of the finance committee all smelling strongly of drink. I was not at all satisfied that this house was being looked after by the right committee and gathered that the inside of the house was exclusively within the control of the City Engineer."

The problems today are somewhat different, but I am sure that my hon. Friend is as concerned as was Mr. Lees-Milne that the house should be placed in the right hands, particularly given the amount of public money that has been put into it.

Despite what was said in Standing Committee on the Local Government Bill, I cannot believe that my hon. Friend will argue this afternoon that Liverpool city council, which has been described by my right hon. Friend the Secretary of State for the Environment as a total and utter disaster, is the right body to act as custodian for this important house. If he is, will he explain why he believes that Liverpool city council will prove a responsible tenant, what undertakings he has sought or received and what assurances he can offer the National Trust? I shall not be surprised if he can give me none of these, but I shall be delighted if he can.

I have been doing my homework on Liverpool city council, as I am sure he has. It is controlled by the local Labour party, on which the Militant Tendency often prevails. The closed shop and the party line predominate. The story surrounding the destruction of the glasshouses in the botanical gardens at Hartshill, as reported to me by a former city councillor, hardly inspires confidence. Apparently, the gardeners were required to go out on a sympathy strike. Several of them refused to do so and were subjected to the sort of treatment suffered by some of the working miners recently. They were told that they would never work again. Shortly afterwards, the glasshouses were condemned as unsafe and pulled down because there was not the money to repair them.

Plants and buildings can be sensitive to short periods of neglect at critical times. Just suppose that Liverpool city council takes over Speke Hall and all council employees are called out on a sympathy strike or for a day of action. If this has happened on a day when there has been a heavy fall of snow followed by a fast thaw, there will be nobody to clear up the snow on the roof. Who will accept responsibility for the ensuing flood?

My hon. Friend will no doubt be aware that the Liverpool city council has closed St. George's hall through lack of funds. The more I learn of what goes on up there, the more I understand the disbelief in the voice of the hon. Member for Bootle (Mr. Roberts) on the Front Bench of the Standing Committee on the Local Government Bill when he said in effect: "So they are giving Speke to Derek Hatton."

In Committee, my hon. Friend the Minister was asked what extra funds were to be made available to Liverpool city council if it accepted Speke, but he refused to be drawn. I fear that if Liverpool city council is given Speke without extra cash, it will let it run down or will even close it. It is in the highest degree unlikely that it will maintain progress of recent years or complete the programme of refurbishment.

In that situation, the Government have two options. One is to endow the house and return to the National Trust, but that would require about £4 million. The other is to transfer it to the new trustee body that is to take over the Walker art gallery. Either of these courses of action would safeguard Speke Hall without any of the risks of passing the necessary funds to sustain the house through the uncertain intermediary of Liverpool city council.

Ministers have the power to transfer Speke to this new body, and I find it difficult to understand why they have not already said that this is what they intend to do. Liverpool has no museums department, and I imagine that the skilled staff looking after Speke will be transferred to the trustees to be appointed. I believe that Ministers accept that Speke Hall is a house of national importance and akin to a museum in displaying a significant collection of furniture and tapestries. I say again that I do not and cannot believe that Liverpool city council is the proper custodian for Speke. Nor can I believe that my hon. Friend would suggest that.

Ever since this Government came to power, Liverpool has been regarded as a special case for financial and other help. Surely my hon. Friend will not quibble about the price of transferring Speke to the trustee body. Surely common equity requires that when the Government abolish a satisfactory tenant, they have a moral obligation to replace that tenant with an equally satisfactory one.

Under the Bill, the Government hope to save—if they have done their homework correctly—something over £100 million per annum. They are surely in a position to ensure that they act honourably.

My first inkling that something was wrong was when I asked the Secretary of State whether he would list the historic buildings currently financed or administered by the metropolitan county councils or the GLC. He replied:

"The preparation and publication of lists giving this information is the responsibility of the individual local authorities."

It smelt of Sir Humphrey Appleby.

I had to ask myself why, if Ministers had done their homework, they were not prepared to answer such a straightforward question which had to be part of normal contingency planning. I believe that there is a ministerial colleague in another place who is prepared to argue over Speke, "What the Lord giveth, the Lord taketh away." That is a somewhat lordly approach, and not one that I or my hon. Friend would wish to put forward to our constituents when credit has already been claimed for the benefits introduced by the original Act to establish the larger counties and which, in the case of Speke, had so clearly delivered. I understand that my hon. Friend is more sympathetic to the case for Speke than I have indicated. However, I also believe that he is seeking a significant contribution from the National Trust as the price of transferring Speke to the new trustee body.

If the National Trust had to find half the cost of the endowment required, that would represent one quarter of its total income from the current membership of 1,200,000. Half the running costs would be sufficient to finance the wardening of 50 miles of coastline. My hon. Friend will be aware that the National Trust already looks after 450 miles of our best coastline, and the Neptune appeal has just been relaunched to provide funds to safeguard another 450 miles.

I fail to see why the National Trust should be asked to pay a penny towards the transfer of Speke to a suitable tenant. Speke Hall now has a satisfactory tenant, and the Government are proposing that it should have an unsatisfactory tenant. Such conduct is wholly at odds with the Government's record. They have a fine record of helping to preserve buildings of outstanding architectural merit. I am sure that Speke is one that they would wish to see preserved; one where the programme of refurbishment should be carried through. I do not believe that they would wish that house to fall into ruin. I am sure that the original decision of the National Trust to accept it is one that they wish to endorse.

In addition, Merseyside needs all the tourists it can attract. Last year 58,000 people visited Speke, and the surrounding woodland and farmland provide a valuable lung in an increasingly industrial environment. The House is a valuable source of education to a great many schoolchildren who visit it regularly. To call now for the National Trust — a charitable body to which the Government are continually looking to support our heritage in so many ways—for funds to sustain Speke, is entirely wrong.

I wish to raise one other point. The National Trust is empowered by Parliament to hold property inalienably. That requires a quality of judgment, in a world changing as fast as ours, that is given to few. If the Government change the ground rules in a way that was not foreseen and which prejudices the National Trust, it is likely to be more cautious about the properties that it accepts in future.

During the Committee stage of the Forestry Bill in the last Parliament, I pointed out to my right hon. Friend the Member for Worcester (Mr. Walker), then Minister for Agriculture, that the trust had accepted some land as of heritage quality because the neighbouring woodland was owned by the Forestry Commission and the integrity of the whole could be guaranteed because the Forestry Commission could be counted upon to act responsibly. If these woods had been sold and replaced by unsightly development, the trust would have felt that the Government had let it down. My right hon. Friend took the point, and there have been no problems.

Today, I hope that my hon. Friend will say that he understands the real fears of the National Trust and that he and his ministerial colleagues will ensure that Speke Hall passes into responsible hands.

2.46 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Neil Macfarlane): This is not the first time that my hon. Friend the Member for Wyre Forest (Mr. Bulmer) and I have "adjourned" on heritage matters. I have to repeat again my admiration for his knowledgeable understanding of these affairs. The last Adjournment debate that we had was concerned with Calke Abbey, some 18 months ago, and I think that eventually some good news emanated from that debate.

I have listened with considerable interest and concern to many of the matters raised with great sympathy by my hon. Friend. If he considers that I am less than forthcoming in this debate, I hope that he will understand that my right hon. and noble Friend the Minister for the Arts will study the problems and the case very closely, as will my right hon. Friend the Secretary of State and I in my Department. I know that my right hon. and noble Friend has already studied carefully the problems which Speke Hall might experience after the abolition of the metropolitan county, the current leaseholder.

As far back as February 1984, my right hon. and noble Friend undertook to look at Speke in the context of the future of the museum service on Merseyside. He could give no assurance that Speke could remain a part of that service, since strictly speaking it is a historic house and not a museum. But he recognised, as we have been made aware today, that the management and development of Speke Hall has been expertly handled by the director of the Merseyside museum service and his staff.

I take this opportunity also to pay tribute to the financial backing and the long-term commitment of the Merseyside county council which has enabled this fine Tudor property to be put in excellent heart for future generations to enjoy and profit from.

When we decided to abolish the metropolitan tier of government, we did so primarily because the majority of the functions carried out by it could equally well be, and in most cases could better be, carried on by district or borough councils. Historic houses fall, for the most part, into this category.

We have made a limited number of exceptions: the three London historic house museums, Kenwood, Rangers and Marble Hill, will pass to the Historic Buildings and Monuments Commission, being houses of significance whose operation as a group has proved both valuable and economical.

Speke Hall, however, has had a long association with its local authorities. As far back as 1944, when the National Trust first accepted the property, a full repairing lease was negotiated with Liverpool city council. Speke has occupied an important place in the heritage of the Merseyside region. It is a reminder of a vigorous rural past; it gives Merseysiders an historical perspective beyond the 18th and 19th centuries so powerfully represented in the history and architecture of Liverpool itself.

[Mr. Neil Macfarlane]

Sadly, I must agree with my hon. Friend that the majority of present Liverpool city councillors appear oblivious to these qualities and to the enhancement they bring to the citizens of Liverpool and the surrounding districts. They seem intent on condemning Merseysiders to a cultural and physical desert, with the excuse that the money is better spent on housing and social services.

I do not deny the critical importance of these as priorities, but we do not live by bread alone. I agree with what the hon. Member for South Shields (Dr. Clark) said when interviewed yesterday on Radio 4. He pointed out that it is even more important for people living in areas of high unemployment, rundown houses and overstretched services to be able to enjoy fine cultural amenities, be they beautiful countryside, good libraries or museums. Speke Hall presents just such amenities.

But we are right to be concerned that they would not be cared for responsibly, given the recent closure by the city council of St. George's Hall and Harthill nurseries. Let us sincerely hope that this disastrous regime does not last beyond May of next year. Liverpool's citizens must by now recognise that they reap no benefits from such a profligate council, with such limited civic pride and vision.

But where does this leave Speke Hall? Neither my right hon. and noble Friend, nor my right hon. Friend the Secretary of State wish to see it harmed in any way. I give that assurance to my hon. Friend. It may be correct to transfer it to the residuary body on Merseyside to give time for greater reflection on where best to place responsibility.

Speke Hall and Croxteth, not too far away, undoubtedly belong to the citizens of the region; there are numerous local authorities the length and breadth of England who would competently and gladly run them as a service for their ratepayers.

Mr. Bulmer: If Speke Hall were to be transferred to the residuary body, can my hon. Friend explain how it would be staffed during the period of reflection?

Mr. Macfarlane: I shall deal with that point in a few moments. I do not intend to go into the matter in detail because so much of what we are dealing with at the moment is hypothetical. I am trying to identify some of the alternatives and options which are open to my right hon. and noble Friend and to other Ministers. I am not suggesting a specific way forward. I am merely trying to outline some of the options. There will undoubtedly be wide interest in the subject. In the context, therefore, of the discussions elsewhere it would be helpful to reflect upon the opinions that are expressed. Ratepayers in other parts of England certainly have local authorities that would be glad to run such houses as a service for their ratepayers and, until the present incumbents took over, Liverpool city council would have been, too. Let us reflect for a minute upon their magnificent cultural and municipal record. It is at a low ebb today but I can only hope that it will not be at a low ebb for much longer. The Government will reflect on the point made in today's debate by my hon. Friend. I appreciate the genuine concern and the anxiety expressed by my hon. Friend.

During the period of consultation following publication of the White Paper "Streamlining the Cities", the Minister for the Arts received many representations about the Merseyside museum service. My hon. Friend will recall that initially he proposed central support only for the Walker art gallery, but it became very clear that the majority of the museum and art gallery collections on Merseyside were of such outstanding quality that they merited special treatment. Hence they have been given the unique distinction of being recognised as on a par with the existing national collections whose principal location is in London. The trustee body which will be established by an Order in Council under clause 45 of the Local Government Bill will be responsible for those collections of national importance which Liverpool is so privileged to have in its midst.

My right hon. and noble Friend has not yet been persuaded that Speke Hall has an automatic place as part of those collections. However, the trustees will be given the power to enter into agreements and hold leases, on whatever terms they see fit. So, for example, should the lease of Speke Hall pass to Liverpool city council—I say should the lease pass to Liverpool city council—the trustees could enter into an agreement to care for and maintain the property and its contents. Similarly, if the National Trust itself decided to take back the leasing arrangement, it too could negotiate terms with the trustees. In the event of the residuary body being given the task of deciding the future of Speke, it also will wish to explore such an arrangement with all the interested parties.

This may well be a way forward. I accept that Liverpool city council has no curatorial expertise, and it would make little sense to duplicate this on a small scale when we already have such excellent museum staff on hand. What Liverpool does have is parks and gardens expertise, and it could make a happy marriage to share these separate skills.

Liverpool has established itself with the docks development, with the International Garden Festival and with Croxteth as a major and innovative tourist city, with all the economic benefits that this brings, and will increasingly bring. Let us hope that a more enlightened council will build upon this.

My hon. Friend was good enough to refer to our record on the heritage. We have established, with all-party support, the Historic Buildings and Monuments Commission to manage our national monuments more effectively and we have given it many more resources—over £50 million — than have ever previously been devoted to the heritage. It has made an excellent start under the wise chairmanship of Lord Montagu of Beaulieu.

Two months ago the Government awarded a special grant of £25 million to the National Heritage Memorial Fund to secure the future of three stately homes so that these could be opened to the public. I refer to Kedleston Hall in Derbyshire, Weston Park in Shropshire, which houses an important collection of paintings, tapestries and furniture in grounds landscaped by Capability Brown and, finally, Nostell priory near Wakefield, which also happens to belong to the National Trust and which houses one of the finest collections of Chippendale furniture in the world. All these properties will bring public enjoyment to their local communities. They will also attract many tourists and so create employment in our service industries.

So nobody can say that the Government do not care about the country's heritage. And let nobody say that the Government do not stand by to help the National Trust continue its excellent work.

Next I may have to answer a more subtle charge. It is that the Government have allowed their determination to sweep away an unnecessary tier of local government to cause them to neglect some important local heritage interests. That is less than fair. We have demonstrated that we are prepared to make arrangements to ensure that certain specific properties and certain specialist services are quite properly safeguarded after the abolition of the GLC and the metropolitan counties.

I have referred to the special arrangements that we have announced for the three properties in London. I have also referred to special arrangements which my right hon. and noble Friend has announced for the future of certain museums and galleries in Liverpool.

None of those arrangements have been much helped by any constructive debate from some of the metropolitan district councils. Too many local councillors have concentrated on making speeches or convening conferences designed to scare their local communities with horror stories of what will happen post-abolition. Sadly, not enough constructive thought has ever been invested by those district councillors into how to plan sensibly for their new responsibilities.

Indeed, in some areas — Liverpool city is one — council officers have been instructed by political supervisors not to co-operate with my Department or even to provide it with information. That is one of the main features that lies behind this debate this afternoon. The debate stems not from any argument or dispute between the National Trust and the Government. There is no such argument.

Discussions continue between Lord Gibson and my right hon. and noble Friend the Minister for the Arts. Neither is there any argument between this Government and the citizens of Liverpool. We want them to continue to enjoy the excellent amenities provided by Speke Hall and by the many other excellent cultural facilities in and around Liverpool. There are a number of ways of managing those services and while, as I have explained, the general presumption is to look to the district councils to take them on, the Government are not deaf to alternative arrangements and will consider closely all the suggestions that have been made this afternoon.

Abolition of Merseyside county council will result in many changes. In the arts and heritage field, many responsibilities which were formerly those of Liverpool city will return to it. The exception will be those collections, built up over the previous century by generous local benefactors and successive city fathers whose importance ranks on a par with existing national collections.

With the best will in the world, Croxteth and Speke are historic houses whose chararter put them outside the immediate responsibilities of the trustees. But I repeat that we shall, bearing in mind the points raised in this worthwhile and interesting debate, continue discussions with the National Trust and other interested parties with a view to safeguarding the future of Speke Hall.

Question put and agreed to.

Adjourned accordingly at three minutes to Three o'clock.

Written Answers to Questions

Monday 29 April 1985

AGRICULTURE, FISHERIES AND FOOD

Nephrops Fishery

Mr. John David Taylor asked the Minister of Agriculture, Fisheries and Food what steps the Government are taking to ensure that any European Community measures affecting the British nephrops fishery take full account of the wide variations in biological and conservation factors in different parts of the waters around the British Isles.

Mr. MacGregor: I do not know what particular measures the right hon. Member has in mind, but I can assure him that in considering any measures which may be proposed I will take into account all the relevant factors which affect the United Kingdom fishing industry, including those which he has cited.

Mr. John David Taylor asked the Minister of Agriculture, Fisheries and Food what steps the Government are taking, in connection with the accession of Spain and Portugal to the EEC, to safeguard British interests in the nephrops fishery in the Irish sea.

Mr. MacGregor: The agreement reached between the European Community and Spain and Portugal on their fishing rights in the waters of the existing member states specifically excludes their vessels from fishing in the area known as "The Irish Box", which includes the whole of the Irish sea, until the end of 1995.

Total allowable catches (TACs) and quotas will be set for nephrops in areas VI, VII (which includes the Irish sea) and VIII for the first time in 1986 in order to prevent unrestricted fishing on this species by Spanish or other vessels. Spain will receive a small share, roughly corresponding to the amount she is currently allowed to catch under the by-catch provisions of the EC-Spain fisheries agreement. Until the end of 1995 she will of course be able to fish her area VII quota only outside the Irish box. Portuguese vessels will not be allowed to fish for nephrops at all in the waters of the existing member states.

Proposals have yet to be made for the allocation of the nephrops TACs between existing member states. It will be the Government's aim to ensure that the United Kingdom nephrops quote in area VII adequately meets the needs of our fleet in this important and developing fishery.

Food Surpluses (Destruction)

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food (1) what was the total sum spent by the European Economic Community on the destruction of food surpluses in the most recent annual period for which figures are available; and if he will list the quantities of food items destroyed during this period;

(2) what progress has been made by the Common Market Commission in taking action on the report of the European Economic Communiy audit commission about the fraudulent payment of European Economic Community funds for the destruction of non-existent food surpluses; and if he will make a statement.

Mr. MacGregor: In certain circumstances, produce withdrawn from the market under the Community schemes for fish and fruit and vegetables finds no end use and has to be destroyed. The expenditure involved cannot be identified from the Community statistics, which relate to all withdrawals. For fish Community expenditure on withdrawals was 17·5 mecu in 1983 and 14·8 mecu in 1984; the quantity withdrawn in 1983 was 87,216 tonnes. For fruit and vegetables 2·05 million tonnes were withdrawn in the 1983-84 marketing year, involving Community expendure of 446 mecu.

The Court of Auditors has not published any report dealing specifically with allegations of fraud under these schemes. No other Community schemes provide for destruction of food.

Equal Opportunities

Mr. Janner asked the Minister of Agriculture, Fisheries and Food whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Jopling: Yes, on the basis of the information now available. To ensure equality of opportunity as far as possible, we will be conducting ethnic surveys of all staff (under the Government's phased programme) to enable ethnic monitoring to be carried out, and the implementation of the programme of action on women in the Civil Service announced on 9 February 1984 is being carefully monitored. My equal opportunities officer has advised all members of my staff of their rights and responsibilities in respect of equal opportunities legislation and departmental codes of practice concerning sexual and racial discrimination.

Wool

Sir John Farr asked the Minister of Agriculture, Fisheries and Food if he is able to announce the guaranteed price for wool for the 1985-86 marketing year.

Mr. Jopling: I have been glad to note that the prices of British wool have been much stronger over the last year or so, partly due to the British Wool Marketing Board's successful efforts in developing new markets for British Wool both at home and abroad.

In all the circumstances, I consider that it would be reasonable to make a further increase of 9 pence in the guaranteed price for wool and it will accordingly be set at 129p/kg for the 1985 clip. This will allow producers to benefit significantly from the improved trading position whilst enabling the Board to make further repayments to the Exchequer under the stabilisation arrangements.

EDUCATION AND SCIENCE

Grants

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what consideration he has given to the implications for staff and students of the ending of specific educational support grants.

Mr. Dunn: One of the aims of the education support grant programme is to secure a limited redeployment of resources within the education service. It will be for local education authorities to decide whether to continue funding particular activities once grant support has ceased and, if so, in what form, taking into account as appropriate the effects on staff and students of their decisions.

Teacher Training

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the estimated expenditure on in-service teacher training by local authorities in England for 1984-85.

Mr. Dunn: Expenditure by local education authorities in England on in-service training for schoolteachers in 1984-85 is estimated at something approaching £100 million. This figure covers the costs to authorities of realeasing teachers to undertake training and the costs of provision made by them through their advisory services and in teachers' centres.

Market Research

Mr. Coombs asked the Secretary of State for Education and Science what use is made of market research by his Department; and if he will make a statement.

Sir Keith Joseph: The Department has funded market research from time to time where this is relevant to policy needs. A recent example was a study on knowledge of drug misuse undertaken by Andrew Irving Associates and jointly funded with the Department of Health and Social Security.

Postgraduate Awards

Mr. Radice asked the Secretary of State for Education and Science how many nationals of each member state of the European Communities have applied for, and how many have received, awards from public funds for the purposes of postgraduate study in the United Kingdom by virtue of article 7 of Council regulation (EEC) No. 1612/68, by year and award-making body.

Sir Keith Joseph: The information is not available.

Mr. Radice: asked the Secretary of State for Education and Science how many persons granted asylum in the United Kingdom, with or without refugee status, have received awards from public funds for the purpose of postgraduate study in the United Kingdom, by year and award-making body.

Sir Keith Joseph: The information is not available.

Mr. Radice: asked the Secretary of State for Education and Science which of the bodies in the United Kingdom which make awards from public funds to postgraduate students pay no older students' allowance.

Sir Keith Joseph: This allowance is not paid to students under the state studentships scheme administered on my behalf by the British Academy. Nor, I understand, is it paid by the Scottish Education Department nor by the Department of Education for Northern Ireland under their studentship schemes.

Mr. Radice asked the Secretary of State for Education and Science which of the bodies in the United Kingdom which make awards from public funds to postgraduate students pay no postgraduate experience allowance.

Sir Keith Joseph: This allowance is not paid by the Department, nor by the Scottish Education Department nor the Department of Education for Northern Ireland.

Teacher Recruitment

Mr. Proctor asked the Secretary of State for Education and Science if he will make it his policy to seek to extend his Department's promotion and recruitment procedures, operating on the basis of merit and without reference to the ethnic origin of candidates, to the recruitment of all teachers; and if he will make a statement.

Mr. Dunn: Appointments to teaching posts in maintained schools and establishments of further education are the responsibility of the local authorities and the institutions concerned. My right hon. Friend has recorded, and maintains, his view that the successful applicant for any post should be the one who in the appointing body's opinion is the most suitable for that post. This does not mean that actual patterns of recruitment cannot be improved. Hence my right hon. Friend's acceptance in his statement to the House on 14 March at column 452, that ways might be sought to increase the proportion of the teacher force recruited from ethnic minority groups.

Equal Opportunities

Mr. Janner asked the Secretary of State for Education and Science what is the ethnic origin of the officer designated by his Department as equal opportunities officer.

Sir Keith Joseph: The ethnic origin of the Department's equal opportunities officer is classified as "white".

Mr. Janner asked the Secretary of State for Education and Science whether he is satisfied with the equality of opportunites in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Sir Keith Joseph: I am satisfied with equality of opportunities within the Department on the basis of information now available. The Department's personnel procedures are kept constantly under review and improvements are made from time to time. In pursuance of this policy, the Department will be conducting ethnic surveys of all staff (under the Government's phased programme) to enable ethnic monitoring to be carried out, and the implementation of the programme of action on women in the Civil Service announced on 9 February 1984 is being carefully monitored. The equal opportunities officer gives advice to members of staff and management on an individual basis as and when necessary.

Class Sizes

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will publish a table showing the number of classes and of pupils in classes in each local education authority with 30 and under, 31 to 35, 36 to 40 and over 40 pupils per class for primary and secondary schools in 1979, 1981 and 1984, respectively.

Mr. Dunn: I shall write to the hon. Member.

Embryos (Research)

Mr. Thurnham asked the Secretary of State for Education and Science if he will list the centres currently undertaking research under the auspices of the Medical Research Council on human embryos.

Mr. Peter Brooke: I understand that the Medical Research Council is currently supporting three projects involving early human embryos resulting from in vitro fertilisation. Details are as follows:

Direct support at MRC establishments:
MRC experimental embryology and teratology unit.
MRC reproductive biology unit.

Indirect support through grants to individual researchers:
Department of Obstetrics and Gynaecology, university of Cambridge.

ATTORNEY-GENERAL

Family Courts (Review)

Ms. Harman asked the Attorney-General when the report of the review of family courts will be published.

The Attorney-General: I refer the hon. Lady to my answer to the hon. Member for Knowsley, North (Mr. Kilroy-Silk) on 4 April at column *716*.

PRIME MINISTER

Civil Service

Mr. Ralph Howell asked the Prime Minister, pursuant to the reply given to the hon. Member for Norfolk, North on 10 April 1984, *Official Report*, column *154*, if she will compare the amount and percentage by which the Civil Service has been reduced, with manpower changes throughout the United Kingdom in *(a)* local government, *(b)* the National Health Service, *(c)* nationalised industries and *(d)* all other persons in receipt of payment of any kind including allowances, engaged in the public sector, including those listed in "Public Bodies 1984" for each year since 1979.

The Prime Minister: The available information is as follows:

*Thousands headcount**

	'000	Change '000	per cent.
Civil Service			
1979	739		
1980	714	−24	−3·3
1981	698	−17	−2·3
1982	671	−27	−3·8
1983	654	−18	−2·6
1984	630	−24	−3·6
Local authorities			
1979	2,997		
1980	2,956	−41	−1·4
1981	2,899	−57	−1·9
1982	2,865	−34	−1·2
1983	2,879	+14	+0·5
1984	2,884	+5	+0·2
National Health Service			
1979	1,152		
1980	1,174	+22	+1·9
1981	1,207	+33	+2·8
1982	1,227	+20	+1·7
1983	1,227	—	+0·0
1984	1,223	−4	−0·3
Nationalised industries†			
1979	1,726		
1980	1,697	−29	−1·7
1981	1,618	−79	−4·7
1982	1,540	−78	−4·8
1983	1,465	−75	−4·9
1984	1,416	−49	−3·3
Other public sector†			
1979	678		
1980	694	+16	+2·4
1981	691	−3	−0·4
1982	675	−16	−2·3
1983	679	+4	+0·6
1984	677	−2	−0·3

* The figures shown relate to the mid-points of the years shown. Reductions and percentage changes are based on unrounded figures.

† To provide figures on a comparable basis, the public corporations figures exclude employees of corporations which were privatised before June 1984.

Sources: March 1985 Economic Trends pages 91 to 99 and Her Majesty's Treasury.

Mr. Ralph Howell asked the Prime Minister what was the estimated total expenditure in 1984-85 and for each year since 1979 for each of *(a)* local government, *(b)* the National Health Service, *(c)* nationalised industries and *(d)* all other persons in receipt of payment of any kind, including allowances, engaged in the public sector, including those listed in "Public Bodies 1984", separately, and in total, including all pay, allowances, payments of all kinds, national insurance, superannuation, and all costs related to the employment or appointment of staff within them.

The Prime Minister: The information is as follows:

Wages, salaries, etc. of public sector

	1979 £ million	1980 £ million	1981 £ million	1982 £ million	1983 £ million
Local authorities	12,440	15,544	17,888	19,200	21,199
National Health Service	4,677	6,312	7,344	7,513	8,618

	1979 £ million	1980 £ million	1981 £ million	1982 £ million	1983 £ million
Public corporations	12,753	15,143	16,205	17,211	17,755
Her Majesty's Forces	2,548	3,047	3,387	3,692	4,022
Other central Government	4,659	5,934	6,581	7,192	7,566

Source: United Kingdom National Accounts 1984 edition.
The figures shown above include wages, salaries, employers' contributions to national insurance and superannuation payments.

Mr. Ralph Howell asked the Prime Minister how many staff in percentage and absolute terms have been removed from each of the following categories in each year since 1979 as a result of privatisation measures: *(a)* local government, *(b)* the National Health Service, *(c)* nationalised industries and *(d)* all other persons in receipt of payment of any kind, including allowances, engaged in the public sector, including those listed in "Public Bodies 1984".

The Prime Minister: Data on staff savings from contracting out in local government and the National Health Service are not collected centrally. From 1979 to mid-1984 privatisation of public corporations reduced public sector employment by some 115,000. Details are given on page 94 of the March 1985 issue of Economic Trends. Privatisation of British Telecom plc in November 1984 reduced public sector employment by a further 240,000.

Between 1 April 1979 and 1 April 1984 the reduction in civil service numbers as a result of privatisation (including contracting out) was 17,000.

Benefits and Allowances

Mr. Ralph Howell asked the Prime Minister if she will list all social benefits and allowances operated by central and local government showing the level of income at which payment ceases where applicable.

The Prime Minister: The table shows social security benefits paid by the central Government and housing benefits paid by local authorities.

	Weekly rate at November 1984 £	Weekly level of earnings at which basic benefit is extinguished £	
1. *Retirement Pension* (RP)			
*Category A	35·80	107·80	
*Category B (wife)	21·50	93·50	
†Category B (widow)	35·80		
†Age Addition (over 80)	0·25		
†Non-contributory over 80's pension			
Higher rate	21·50		
Lower rate			
Adult Dependant	12·85		
Age Addition (over 80)	0·25		
2. *Widows' Benefits* (WB)			
†Widows' Allowance	50·10		
†Widowed Mothers' Allowance	35·80		
†Widows' Pension	35·80		
3. *Invalidity Pension* (IVP)			
single	34·25		
Invalidity allowance			Small exception for permitted work with medical approval, earnings £23·50
Higher rate	7·50	Any earnings	
Middle rate	4·80		
Lower rate	2·40		
4. *Unemployment Benefit* (UB)			
Under pension age single	28·45	2·00	On a daily basis
Over pension age single	35·80	2·00	On a daily basis
5. *Sickness Benefit* (SB)			
Under pension age single	27·25	Any earnings	Small exception for permitted work with medical approval, earnings £23·50
Over pension age single	35·25		
6. *Maternity Allowance* (MA)	27·25	Any earnings	
7. *Attendance Allowance*			
†Higher rate	28·60		
†Lower rate	19·10		
8. *Severe Disablement Allowance* (SDA)			
†single	21·50		
9. *Invalid Care Allowance (ICA)*			

	Weekly rate at November 1984 £	*Weekly level of earnings at which basic benefit is extinguished* £	
single	21·50	12·00	
10. †*Mobility Allowance*	20·00		
11. †*Child Benefit*	6·85		
12. †*One Parent Benefit*	4·25		
13. *Family Income Supplement*			
Prescribed amount—one child family	90·00		
Increase for each additional child	10·00		Payment ceases once gross weekly earnings equal the prescribed amount
Maximum payment—one child family	23·00		
Increase for each additional child	2·00		
14. ‡*Supplementary Benefit*			
Supplementary pension single	35·70		
couple	57·10		
non-householder	28·55		
Long-term scale rate single	35·70		
couple	57·10		
non-householder 18+	28·55		
non-householder 16–17	21·90		
Ordinary rate single	28·05		
couple	45·55		
non-householder 18+	22·45		
non-householder 16–17	17·30		
Dependent children 18+	22·45		
16–17	17·30		
11–15	14·35		
under 11	9·60		
Blind addition	1·25		
Heating additions			
Higher rate	5·20		
Lower rate	2·10		
Central heating additions			
Higher rate	4·20		
Lower rate	2·10		
Estate rate heating additions			
Higher rate	8·40		
Lower rate	4·20		
Dietary additions			
Lower rate	1·55		
Higher rate	3·60		
Kidney dialysis	10·35		
Notional laundry charge	0·50		
Extra bath	0·25		
Board and Lodging personal expenses			
Over pension age single	10·30		
couple	20·60		
Long term rate single	10·30		
couple	20·60		
Ordinary rate single	9·25		
couple	18·50		
Dependants 18+	9·25		
16–17	5·55		
11–15	4·75		
under 11	3·10		

	Weekly rate at November 1984 £	Weekly level of earnings at which basic benefit is extinguished £	
Meals allowance (per meal)			
breakfast	1·10		
main meal	1·55		
Increase in maximum amounts for board and lodging single	16·15		
couple	32·20		
Maintenance and insurance allowance	1·80		
15. *Industrial Disablement Pension*			
†over 18	58·40		
†under 18	35·80		
†Reduced rates—10 per cent. to 90 per cent. of basic rate	—		
†Maximum disablement gratuity (lump sum)	3,880·00		
Unemployment supplement	34·25		Over £1,200 per annum
†Increases for early onset of incapacity			
Higher rate	7·50		
Middle rate	4·80		
Lower rate	2·40		
†Maximum special hardship allowance	23·36		
†Exceptionally severe disablement allowance	23·40		
†Industrial Death Benefit			
Initial rate	50·10		
Higher permanent rate	36·35		
Lower permanent rate	10·74		
†Constant Attendance Allowance			
Normal maximum rate	23·40		
Part-time rate	11·70		
Intermediate rate	35·10		
Exceptional rate	46·80		
16. *Workmen's compensation, pneumoconiosis, byssinosis and other schemes*			
†Maximum major incapacity	58·40		
†Partial disablement allowance	21·50		
17. *Housing Benefit*			
Needs allowance			
Single	45·10		Amounts of housing benefit are worked out by comparing income with the needs allowances. As the needs allowances vary according to individual circumstances there is no one level at which payment of benefit is extinguished
Couple/single parent	66·50		
Single handicapped	50·30		
Couple—one handicapped	71·70		
Couple both handicapped	74·15		
Pensioner addition	0·80		
Dependent child addition	12·85		
18. *Dependency additions*			
For child—with IVP, RP, WB, SDA, ICA, and if claimant over pension age, with SB and UB	7·65	80·00	Earnings by spouse (or partner). Each extra £10 extinguishes further addition for child residing with beneficiary
For spouse			
with SDA and ICA	12·85	{ 59·85 for wife (or female partner) { 12·85 for husband	
with MA and SB under pension age	16·80	16·80	
with MA and SB over pension age	20·55	20·55	
with UB under pension age	17·55	17·55	
with UB over pension age	21·50	21·50	

	Weekly rate at November 1984 £	Weekly level of earnings at which basic benefit is extinguished £	
with IVP and unemployability supplement	20·55	{ 67·55	for wife
		{ 20·55	for husband
with RP	21·50	{ 68·50	for wife
		{ 21·50	for husband

* After retirement age (65 for women, 70 for men) earnings do not affect pension payable.
† Not subject to any earnings rule.
‡ People in full-time work (over 30 hours a week) are automatically excluded from receiving supplementary benefit whatever their level of income. In all other cases supplementary benefit is paid to those whose weekly income is less than their overall requirements. As these requirements are calculated according to the individual's circumstances, there is no one level of income at which payment of benefit is extinguished.

Rates

Mr. Peter Bruinvels asked the Prime Minister, if she is satisfied with the operation of the consultation arrangements between industry, commerce and local authorities prior to the fixing of a new rate.

The Prime Minister: This is the first year that statutory consultations have taken place. A small number of local authorities have not co-operated as fully as we would have liked, but I am encouraged by reports of the useful consultations which have been achieved in many areas. We shall be keeping the process under review.

City Action Teams

Mr. John Fraser asked the Prime Minister why city action teams do not include representatives from the Department of Health and Social Security, the Department of Education and Science and the Home Office.

The Prime Minister: The Government decided that the initial priority for the city action teams should be to improve the contribution in the inner city partnership areas of those programmes of the Department of the Environment, the Department of Employment and Manpower Services Commission and the Department of Trade and Industry which directly help to foster enterprise and promote employment. Other Departments' policies and programmes are also important in these areas and they will be consulted as the work of the teams proceeds.

Standing Committee of Chief Scientists

Mr. Latham asked the Prime Minister whether she will instruct the Standing Committee of Chief Scientists to hold proper consultations with the director and staff of the British Geological Survey before formulating its comments on the corporate plan of the Natural Environment Research Council; and whether she will make a statement.

The Prime Minister: No. The proper forum for discussion of the internal matters relating to the Natural Environment Research Council including its corporate plan is the council itself and the Advisory Board for the Research Councils. Departmental chief scientists are represented on both the NERC and the ABRC.

Civil Service (Secondment)

Mr. Gordon Brown asked the Prime Minister when she expects to announce new regulations for the secondment of business men to the Civil Service.

The Prime Minister: As I told the hon. Member on 4 April at col. *713*, the Civil Service Commissioners are considering with their legal advisers new procedures to ensure that future appointments on secondment are made in compliance with the Civil Service Order in Council 1982. These procedures will be introduced as soon as it is possible to do so. Until then, it is important that departments are still able to arrange new secondments. All such proposals are being referred to the commissioners and are being considered on an individual basis against the background of the provisions and discretionary powers contained in the Order in Council.

Overseas Visits

Mr. Straw asked the Prime Minister if she will publish in the *Official Report* tables showing *(a)* the purpose, dates, duration and country of all overseas visits made by her since June 1983 and *(b)* the purpose, dates, duration, and place, including county, of all visits made by her within the United Kingdom, since June 1983.

The Prime Minister: The information is as follows.

1. *Overseas Visits*

Date	Days or Part Days*	Country	Purpose
1983			
17-19 June	3	Federal Republic of Germany	European Council
19-21 September	3	Netherlands	Talks with Netherlands Government
		Federal Republic of Germany	Visit to British Forces Germany
25-30 September	6	Canada	Talks with Canadian Government and speech to Canadian Parliament
		United States of America	Talks with President Reagan
8-9 November	2	Federal Republic of Germany	Anglo/German summit
21-30 November	10	India	Commonwealth Heads of Government meeting
4-6 December	3	Greece	European Council

Date	Days or Part Days*	Country	Purpose
1984			
23 January	1	France	Talks with President Mitterrand
26-27 January	2	Italy	Anglo/Italian summit
2-4 February	3	Hungary	Talks with Hungarian Government
13-14 February	2	Soviet Union	President Andropov's funeral
19-20 March	2	Belgium	European Council
17-19 April	3	Portugal	Talks with Portuguese Government
4 May	1	France	Talks with President Mitterrand
25-26 June	2	France	European Council
2-4 November	3	India	Mrs. Gandhi's funeral
29 November—1 December	3	France	Talks with French Government and Franco/British Council
3-4 December	2	Republic of Ireland	European Council
17-22 December	6	China/Hong Kong/United States of America	Signing of Hong Kong agreement/local engagements/talks with President Reagan
1985			
18 January	1	Federal Republic of Germany	Anglo/German summit
19-21 February	3	United States of America	Talks with President Reagan/speech to Congress
12-13 March	2	Soviet Union	President Chernenko's funeral
29-30 March	2	Belgium	European Council
4-14 April	11	Malaysia/Brunei Indonesia/Singapore/ Sri Lanka/India/Saudi Arabia	Talks with Heads of Government and promotion of British political and trade interests

* Including time spent travelling.

2. *Visits within the United Kingdom*†

Date	Days or Part Days*	Place/County	Purpose
1983			
29 July	1	Cranwell/Lincolnshire	RAF Cranwell
31 August—1 September	2	Dumfries/Dumfries & Galloway Edinburgh/Lothian Beith/ Strathclyde Cunninghame/Strathclyde Largs/Strathclyde Kilbarchan/Strathclyde Bridge of Weir/Strathclyde	Local engagements
18 November	1	York/North Yorkshire	Enthronement of Archbishop of York
23 December	1	Newtownards/County Down Drumadd Barracks/Armagh Aughnacloy Army Base/County Tyrone	Local engagements
1984			
6 January	1	Maidstone/Kent	Local engagements
24 February	1	Coventry/Warwickshire	Local engagements
7 April	1	Penzance/Cornwall	Local engagements
13 April	1	London Docklands/Greater London	Local engagements
3 August	1	Dartford/Kent Redhill/Surrey	Local engagements
5 September	2	Farnborough/Hampshire	Air show
5-6 September	2	Edinburgh/Lothian Ratho/Lothian Livingston New Town/ Lothian Dunblane/Central Kinross/Central Aviemore/Highland	Local engagements
21 September	1	Chester/Clwyd Wrexham/Clwyd	Local engagements
26 September	1	York/North Yorkshire	Local engagements
2 October	1	Liverpool/Merseyside	Local engagements
1985			
11 January	1	Milton Keynes/Buckinghamshire Towcester/Northants Leicester/Leicestershire Lutterworth/Leicestershire	Local engagements
15 March	1	Henley on Thames/Oxfordshire Witney/Oxfordshire Abingdon/Oxfordshire Newbury/Berkshire Stoke Poges/ Buckinghamshire	Local engagements
26 April	1	Deeside Industrial Park/Clwyd Mostyn Dock/Clwyd 'Plas Newydd'/Clwyd St. Asaph/Clwyd Abergele/Clwyd	Local engagements

* Including time spent travelling.
† Visits where I have been a guest of Her Majesty the Queen are excluded as are political or private visits.

WALES

Government Expenditure

Mr. Andrew F. Bennett asked the Secretary of State for Wales if he will publish the equivalent for Wales of all tables referring to England that have not been previously published in the *Official Report*, in the Government's expenditure White Paper (Cmnd. 9428).

Mr. Nicholas Edwards: This information cannot be provided without disproportionate cost.

Rhymney Valley (Report)

Mr. Rowlands asked the Secretary of State for Wales, pursuant to his answer, *Official Report*, column *605*, 22 April, whether he will send to the hon. Member for

Merthyr Tydfil and Rhymney a copy of the report on Rhymney valley, and make a copy available in the Library.

Mr. Nicholas Edwards: As the report was not intended for publication only a few copies were printed. However, I have today placed one copy in the Library of the House.

Equal Opportunities

Mr. Janner asked the Secretary of State for Wales whether he is satisfied with the equality of opportunities in his Department in-so-far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Nicholas Edwards: Yes, on the basis of the information now available. To ensure equality of opportunities as far as possible, we will be conducting ethnic surveys of all staff (under the Government's phased programme) to enable ethnic monitoring to be carried out, and the implementation of the programme of action on women in the Civil Service announced on 9 February 1984 is being carefully monitored.

HOME DEPARTMENT

Local Government (Grant Applications)

Mr. Cohen asked the Secretary of State for the Home Department if he will list the applications for grant under section 11 of the Local Government Act 1966 which are currently awaiting decision from his Department, together with the authority which submitted the application, the date it was submitted, and an indication of when his Department's decision is expected.

Mr. Waddington: Applications on which decisions had not been taken on 26 April 1985 are identified in the following table. Applications have frequently to be referred back to the local authorities for further information before decisions can be taken. It is not therefore possible to indicate when a decision can be expected in particular cases.

Applications for grant under s.11 of the Local Government Act 1966

Date of application	*Authority*	*Number of posts*
4 April 1983	ILEA	2
7 April 1983	GLC	2
3 May 1983	Tower Hamlets	2
19 May 1983	Lambeth	1
13 June 1983	South Glamorgan	2
18 October 1983	Barking	5
21 December 1983	Sheffield (part-time hours)	3,640
7 February 1984	Hackney	2
2 March 1984	West Midlands	1
2 March 1984	ILEA	3
9 March 1984	Wolverhampton	12
9 March 1984	Waltham Forest	5
15 March 1984	Hillingdon	5
16 March 1984	Redbridge	52
16 March 1984	Dudley	3
16 March 1984	Leeds (plus 400 part-time hours)	1
20 March 1984	Kensington and Chelsea	17
22 March 1984	Bedfordshire	33
26 March 1984	Calderdale	3
27 March 1984	ILEA (plus 2,360 part-time hours)	1
28 March 1984	Tower Hamlets	93
28 March 1984	Newham	69
29 March 1984	Islington	163
30 March 1984	Hackney	703
30 March 1984	Hertfordshire	43
30 March 1984	Birmingham	133
9 April 1984	Bradford	1
10 April 1984	Bedfordshire	5
10 April 1984	ILEA	1
10 April 1984	Manchester	11
21 April 1984	West Midlands	5
2 April 1984	Lambeth	8
9 May 1984	ILEA	1
22 May 1984	Dudley	2
24 May 1984	ILEA	1
25 May 1984	Birmingham	4
31 May 1984	ILEA	3
5 June 1984	Birmingham	3
11 June 1984	Redbridge	1
12 June 1984	Tower Hamlets	4
18 June 1984	Bradford	2
26 June 1984	Redbridge	1
28 June 1984	Kent	1
29 June 1984	ILEA	174
2 July 1984	Kirklees	1
11 July 1984	Barking	8
13 July 1984	Birmingham	41
13 July 1984	ILEA (part-time hours)	1,450
23 July 1984	Barking	8
25 July 1984	Coventry	19
26 July 1984	Wandsworth	4
30 July 1984	Birmingham	13
31 July 1984	Hertfordshire	3
31 July 1984	Hampshire	3
6 August 1984	Avon	15
14 August 1984	Derbyshire (plus 263 hours)	29
15 August 1984	Gravesham	3
15 August 1984	Bradford	31
16 August 1984	Bradford	1
16 August 1984	Barnet	20
21 August 1984	South Glamorgan	3
28 August 1984	ILEA	1
11 September 1984	Westminster	2
11 September 1984	ILEA	1
11 September 1984	Middlesex Polytechnic	1
13 September 1984	West Midlands	10
17 September 1984	Sheffield	15
20 September 1984	Wandsworth	2
21 September 1984	Brent	2
24 September 1984	Northamptonshire	5
26 September 1984	Leicestershire	1
2 October 1984	Leeds	1
3 October 1984	Cleveland	6
9 October 1984	Lambeth	9
18 October 1984	Bedfordshire	5
22 October 1984	Nottinghamshire	2
23 October 1984	Harrow	3
23 October 1984	Bradford	42
25 October 1984	Birmingham	1
26 October 1984	Camden	2
30 October 1984	Bradford	2
30 October 1984	Trafford	6
1 November 1984	Hounslow	6
5 November 1984	Haringey	1
5 November 1984	Hackney	135
6 November 1984	Newham	4
7 November 1984	Tameside	4
8 November 1984	Waltham Forest	2
9 November 1984	Kirklees	10
19 November 1984	ILEA	9
20 November 1984	Ipswich	2
27 November 1984	Leeds	1
28 November 1984	Kent	1
28 November 1984	Bradford	1
4 December 1984	Calderdale (plus 2,207 part-time hours)	2

Date of application	Authority	Number of posts
10 December 1984	Birmingham	40
10 December 1984	Avon	5
10 December 1984	Camden	1
14 December 1984	Bradford	9
18 December 1984	Kirklees	2
20 December 1984	Northamptonshire	3
21 December 1984	Brent	1
21 December 1984	Merseyside	2
31 December 1984	Ealing	1
8 January 1985	Newham	1
8 January 1985	Cleveland	1
10 January 1985	Leeds	3
14 January 1985	Coventry	3
14 January 1985	Kirklees	3
14 January 1985	Oldham	2
16 January 1985	Bradford	1
17 January 1985	Kirklees	1
17 January 1985	Hammersmith	2
18 January 1985	Avon	1
21 January 1985	Nottingham City	2
24 January 1985	Birmingham	1
25 January 1985	Leeds	4
28 January 1985	Hampshire	7
30 January 1985	Richmond	3
30 January 1985	Coventry	24
31 January 1985	Devon	2
8 February 1985	Birmingham	9
11 February 1985	Birmingham	3
14 February 1985	Camden	1
15 February 1985	St. Albans	2
15 February 1985	Ealing	166
19 February 1985	Manchester	3
20 February 1985	Lambeth	2
21 February 1985	Westminster	2
22 February 1985	Brent	4
22 February 1985	Redditch	1
25 February 1985	Bradford	10
25 February 1985	South Glamorgan	2
27 February 1985	Oxford City	1
28 February 1985	Middlesbrough	1
4 March 1985	Surrey	4
4 March 1985	Waltham Forest	2
6 March 1985	Bradford	11
7 March 1985	ILEA	1
8 March 1985	Northamptonshire	1
8 March 1985	Kent (adjustment of approved part-time hours)	
8 March 1985	Trafford	14
8 March 1985	Lancashire	4
11 March 1985	Wandsworth	2
12 March 1985	Lambeth	38
12 March 1985	ILEA	2
13 March 1985	Southwark	8
13 March 1985	Derby City	1
14 March 1985	Lancashire	8
15 March 1985	Ipswich	3
19 March 1985	Bolton	2
21 March 1985	ILEA	3
25 March 1985	Barking	1
27 March 1985	Rotherham	1
27 March 1985	Leicester City	1
27 March 1985	Oxfordshire	14
29 March 1985	Coventry	10
29 March 1985	Cleveland	1
29 March 1985	Croydon	1
2 April 1985	Sheffield (plus 1,010 part-time hours)	6
2 April 1985	Bradford	3
3 April 1985	ILEA	1
4 April 1985	Reading	1
4 April 1985	Ealing	3
10 April 1985	Nottinghamshire	1
10 April 1985	Cleveland	1
12 April 1985	Birmingham	11
12 April 1985	Bradford	1
15 April 1985	City of Cardiff	2

Totals: 169. Applications for 2,577 posts plus 11,330 part-time hours

Note: Part-time hours are annual totals.

National Freight Corporation, Sheffield (Fire)

Mr. Caborn asked the Secretary of State for the Home Department if Her Majesty's Inspector of Fire Services has investigated the fire-fighting procedures adopted by the South Yorkshire fire service during the fire at the Sheffield warehouse of the National Freight Corporation on 14 to 16 December 1984.

Mr. Giles Shaw: The South Yorkshire fire service has sent a full report on this fire to Her Majesty's Chief Inspector of Fire Services which is being studied to see whether there are any general points which should be brought to the attention of other fire authorities. The Fire Service Inspectorate is also co-operating with the investigating team led by the Health and Safety Executive which is examining the causes of the fire and precautions taken against exposure. It is understood that the executive intends to publish the team's report.

Magistrates' Courts (Children and Young Persons) Rules

Mrs. Renée Short asked the Secretary of State for the Home Department when he proposes to undertake the full review of the Magistrates' Courts (Children and Young Persons) Rules referred to in the Government reply to the Second Report of the Social Services Committee, Session 1983-84, Cmnd. 9298.

Mr. Mellor: The review of the rules will go ahead when the outcome of the review of the substantive child care law which my right hon. Friend the Secretary of State for Social Services put in hand following the committee's report is sufficiently clear. As was indicated in the Government's response to the report, new rules will need to reflect any changes which may be made in the substantive law, and the current review is addressing a number of issues that are relevant to court procedure.

Immigration

Mr. Kaufman asked the Secretary of State for the Home Department (1) for each year since 1973, how many applications were received for settlement in the United Kingdom, by nationality of applicant; and, for each nationality, what were the reasons for application, the numbers admitted or refused admission and the reasons for refusal of admission, and the average waiting time between application and interview and between interview and admission;

(2) for each year since 1973, how many applications for settlement in the United Kingdom were received from husbands or fiancés of women settled in the United Kingdom; what were the nationalities of the men concerned; and, for each nationality, what were the numbers admitted or refused admission and the reasons for the refusal of admission.

Mr. Waddington: The readily available information is as follows.

Information on applications for entry clearance leading to settlement in the United Kingdom is available only for the Indian sub-continent from 1977 and is given up to 1983 in tables 5 to 9 of the latest annual Command Paper "Control of Immigration Statistics: United Kingdom

1983" (Cmnd 9246). Corresponding information for 1984 is given in tables 8 to 10 of Statistical Bulletin 5/85 "Control of Immigration: Statistics—Fourth Quarter and Year 1984" and in tables 1 and 2 following. The waiting times given are to the first interview; applications are decided at the first interview unless further enquiries need to be made or a refusal is followed by an appeal, in which case the time taken depends on the particular circumstances of the application.

Reasons for refusals of applications are available only for husbands and male fiancés from 1983 and are given in table 3. Information for all countries on the numbers of persons admitted to and granted settlement in the United Kingdom is published annually by nationality and category in the Command paper "Control of Immigration: Statistics" (Tables 1 to 4 of the latest issue), the 1984 issue is due to be published in June.

Table 1

Applications for entry clearances for immediate settlement made by wives, children and others in the Indian sub-continent by category of applicant, 1984

Number of persons

	Newly received	*Granted*	*Refused*	*Outstanding at the end of 1984*
Wives	5,370	3,710	1,160	5,100
Children	9,620	5,300	3,830	13,100
Other dependant relatives	1,150	450	360	1,100
Others for settlement	110	80	10	60

Table 2

Applications for entry clearances for leave to enter the United Kingdom made by husbands and male fiancés in the Indian sub-continent by country 1984

	Newly received	*Granted*	*Refused*	*Outstanding at the end of 1984*
Bangladesh	100	20	20	230
India	1,400	640	660	1,400
Pakistan	1,300	680	440	1,700

Table 3

Reasons for refusal of entry clearance for leave to enter the United Kingdom for husbands and male fiancés in the Indian sub-continent

*Number of persons**

	Husbands		*Male fiancés*		*Total*	
	1983	*1984*	*1983*	*1984*	*1983*	*1984*
Primary purpose of the marriage was to obtain admission to the United Kingdom						
(a) Solely for this reason	80	220	420	660	500	890
(b) In combination with one or more other reasons	10	10	210	80	220	90
Solely because couple did not intend to live together	10	+	10	+	10	+
Solely because couple had not met	+	–	100	10	100	10
Solely because wife/fiancé was not a British citizen	30	20	30	10	60	30
Other reasons and combinations	20	20	40	70	60	90
Total†	150	280	810	840	970	1,120

* Rounded to the nearest 10; + indicates 5 or fewer; – indicates nil.

† The total includes a small number of cases for which the reason for refusal was not recorded.

Mr. Kaufman asked the Secretary of State for the Home Department what was the total number of passengers detained overnight under Immigration Act powers during 1984, by nationality; and whether he will give, for each nationality the proportion of total passengers so detained.

Mr. Waddington: The information requested, excluding the numbers of those detained in Queen's building, Heathrow for which similar information is not available, is as follows:

Nationality	*Number detained overnight*	*Number of persons detained per 1,000 arrivals of that nationality*
Afghanistan	3	*
Algeria	50	2·25
Antigua	3	*
Argentina	8	0·60
Australia	13	0·04
Austria	11	0·10
Bahamas	1	*
Bangladesh	157	6·40
Barbados	1	0·12
Benin	1	*
Bermuda	2	*
Bolivia	2	*
Brazil	12	0·23
British Overseas citizens	3	0·18
Bulgaria	1	0·29
Cameroon	3	*
Canada	6	0·01
Cape Verde	1	*
Central African Republic	1	*
Chile	6	0·48
China	10	1·15
Colombia	57	2·70
Cuba	10	10·09
Cyprus	18	0·51
Denmark	1	*
Dominica	2	*
Ecuador	2	*

Nationality	Number detained overnight	Number of persons detained per 1,000 arrivals of that nationality
Egypt	7	0·12
Ethiopia	8	1·17
Finland	5	0·06
France	3	*
Gambia	41	*
Germany (FRG)	8	*
Ghana	716	20·12
Greece	16	*
Grenada	1	*
Guyana	4	0·67
Holland	4	*
Hong Kong (BDTC)	42	0·75
Iceland	3	*
India	454	2·33
Indonesia	3	0·20
Iran	138	2·32
Iraq	60	2·98
Israel	96	0·66
Italy	5	*
Ivory Coast	6	*
Jamaica	11	0·38
Japan	3	0·01
Jordan	12	0·45
Kenya	16	0·62
Korea (South)	22	*
Kuwait	1	0·03
Lebanon	20	0·48
Liberia	5	*
Libya	58	7·39
Malawi	1	*
Malaysia	25	0·33
Mali	2	*
Malta	15	0·41
Mauritius	7	0·38
Mexico	10	0·26
Morocco	49	2·73
Mozambique	5	*
Nepal	3	*
New Zealand	5	0·06
Nicaragua	1	*
Nigeria	741	4·31
Norway	4	0·02
Oman	1	*
Pakistan	506	4·73
Peru	5	0·57
Philippines	64	2·41
Poland	20	0·52
Portugal	83	1·06
Romania	6	1·90
St. Lucia	1	*
Saudi Arabia	10	0·18
Senegal	2	*
Seychelles	1	*
Sierra Leone	17	2·33
Singapore	5	0·14
Somalia	4	2·39
South Africa	6	0·05
Spain	113	0·38
Sri Lanka	156	5·09
Sudan	18	0·91
Surinam	2	*
Sweden	11	0·03
Switzerland	10	0·04
Syria	22	1·30
Tanzania	12	1·00
Thailand	9	0·44
Togo	1	*
Tunisia	50	4·58
Turkey	143	2·82
Trinidad and Tobago	2	0·90
Uganda	27	3·34
Uruguay	2	0·56
USA	113	0·04
USSR	2	0·21
Venezuela	6	0·60
Yemen	6	*
Yugoslavia	20	0·55
Zaire	2	*
Zambia	8	0·71
Zimbabwe	14	0·94
Nationality doubtful	47	0·64
Total	4,548	0·59

*Separate totals are not kept of arriving passengers of these nationalities; in aggregate the proportion of these nationals detained was 0·74 per 1,000 arivals.

Mr. Kaufman asked the Secretary of State for the Home Department when he expects the review of the instructions for the staff of the immigration and nationality department to be completed; and whether he will publish the results.

Mr. Waddington: We are pressing ahead with the review but my right hon. and learned Friend cannot set a date for its completion. The possibility of publication of some of the instructions will be considered as part of the review.

Victim Support Schemes

Mr. Shersby asked the Secretary of State for the Home Department if he will make a statement on the extent of direct funding by his Department of locally-run victim support schemes and on the appointment of regional liaison officers for the National Association of Victim Support Schemes.

Mr. Mellor: I would refer my hon. Friend to the recent Government reply (Cmnd. 9457) to the report of the Home Affairs Committee on compensation and support for victims of crime (HC 43).

Mr. Shersby asked the Secretary of State for the Home Department what estimate he has made of the total cost of the victim support scheme nationally; and whether his Department collects information on the number of references made each year by local schemes.

Mr. Mellor: We have made no estimate of the total cost of victims support schemes. We rely on the National Association of Victims Support Schemes for information about the number of cases dealt with by local schemes. I understand that the number in 1983 was 65,254 and in 1984 about 100,000.

Equal Opportunities

Mr. Janner asked the Secretary of State for the Home Department of what sex and ethnic origins are the officers designated by his Department as equal opportunities officers.

Mr. Brittan: Both male and white.

Mr. Janner asked the Secretary of State for the Home Department whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Brittan: Yes, on the basis of the information now available. To ensure equality of opportunity as far as possible, my Department will be conducting ethnic surveys of all staff (under the Government's phased programme) to enable ethnic monitoring to be carried out, and the implementation of the programme of action on women in the Civil Service, announced on 9 February 1984, is being carefully monitored. The equal opportunities officers have encouraged the provision of advice to staff generally on the Civil Service's policy as an equal opportunity employer, on the scope for part-time working, job-sharing and re-instatement, and on sexual harassment, and to all line managers on their responsibilities for ensuring racial and sexual equality. They are also concerned with guidance to staff involved in recruitment, selection, promotion, career management and training.

Mrs. Anne Francis

Mrs. Clwyd asked the Secretary of State for the Home Department in which prison, and under what conditions, Mrs. Anne Francis, of Abergavenny, is serving her sentence of one year's imprisonment.

Mr. Mellor: Mrs. Francis is on normal location at Cookham Wood, a closed women's prison in Kent.

Civil Defence

Mr. Tony Banks asked the Secretary of State for the Home Department what information he has as to the amount of money spent per annum on civil defence in each member country of the European Economic Community, including the United Kingdom; and what information he has as to the respective figures for *(a)* 10, *(b)* 20 and *(c)* 30 years ago.

Mr. Giles Shaw: I would refer the hon. Member to the reply given to a question from the hon. Member for Edinburgh, East (Mr. Strang) on 11 March at column *28*.

Mr. Tony Banks asked the Secretary of State for the Home Department if he has plans to produce a film on planning for peacetime emergencies.

Mr. Giles Shaw: I would refer the hon. Member to the reply given to a question from the hon. Member for Edinburgh, East (Mr. Strang) on 8 March at column *627*.

Mr. Tony Banks asked the Secretary of State for the Home Department if he has any plans to make funds available to local authorities for the maintenance of emergency centres.

Mr. Giles Shaw: Not at present: I would refer the hon. Member to the reply I gave to a question from the hon. Member for Edinburgh, East (Mr. Strang) on 8 March at column *627*.

Mr. Tony Banks asked the Secretary of State for the Home Department what are the criteria by which grant applications for funds to build or improve emergency centres under the Civil Defence Regulations 1983 are assessed.

Mr. Giles Shaw: I would refer the hon. Member to the reply I gave to a question from the hon. Member for Edinburgh, East (Mr. Strang) on 8 March at column *627*.

TRANSPORT

Metropolitan Districts (Transport Policies)

Mr. Allen McKay asked the Secretary of State for Transport if he intends to issue any guidance to passenger transport joint boards in metropolitan county areas, in the event of the abolition of the metropolitan county councils, concerning the interpretation of public passenger transport policies and highway, traffic and land use policies of metropolitan districts in their areas.

Mrs. Chalker: It will be necessary for the new passenger transport authorities to liaise closely with metropolitan district councils in matters relating to highways, traffic and land use policies, and their effect on public transport, but at this stage we see no need for further guidance. If the need arises, guidance can be given.

Welsh Highland Light Railway Company

Mr. D. E. Thomas asked the Secretary of State for Transport how many offers of purchase have been made to him in respect of his stock-holdings in the Welsh Highland Light Railway Company.

Mr. David Mitchell: Five offers were made to purchase my right hon. Friend's holdings of debenture stock. It has now been sold to the highest bidder.

Severn Bridge

Mr. Roy Hughes asked the Secretary of State for Transport what was the amount collected in tolls on the Severn bridge in the last full financial year for which figures are available; what was the cost of collection; and what percentage this is of the overall amount collected.

Mrs. Chalker: The information requested is as follows.

Financial year 1983-84

	£
Tolls levied	2,843,710
Cost of collection	607,220
Percentage	21 per cent.

Tolls received have been less than in 1982-83 due to traffic management restrictions on the bridge. For 17 days all east-bound traffic travelled toll free in order that there was no back up on the bridge itself.

Mr. Roy Hughes asked the Secretary of State for Transport what was the original total cost of constructing the Severn bridge; and what percentage of the accumulated interest charges remains outstanding.

Mrs. Chalker: £14·4 million, and 72 per cent. at 31 March 1984. The components of the £14·4 million construction cost are detailed in the published account 1966-67.

Singapore International Airlines (Manchester)

Mr. Arnold asked the Secretary of State for Transport, pursuant to his Answer of 19 April, *Official Report*, column *281*, if he will give the reasons why the Manchester services for which Singapore International Airlines has applied do not fall within the terms of the existing air services arrangements; and if he will place a copy of these arrangements in the Library.

Mr. Michael Spicer: Air services between the United Kingdom and Singapore are governed by the air services agreement of 12 January 1971 as amended by exchanges of notes in 1976, 1978 and 1980. The agreement and subsequent exchanges have been published in the treaty series as Cmnd. 4619, 6622, 7431 and 7988. Copies are in the Library.

The agreement as amended provides for SIA as a designated airline of Singapore to be entitled to operate scheduled services from Singapore over certain named intermediate points to London. There is no provision in the agreement for services to Manchester. As I told my hon. Friend on 19 April, however, consultations between the aeronautical authorities will take place early next month to consider the Singaporean request for permission to operate such services.

Equal Opportunities

Mr. Janner asked the Secretary of State for Transport (1) what is the sex and ethnic origin of the officer designated by his Department as equal opportunities officer;.

(2) whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Ridley: I will answer these questions shortly.

Rail Closures (Yorkshire)

Mrs. Dunwoody asked the Secretary of State for Transport if he will reject the proposed closure of link lines between Halifax and Huddersfield until such time as British Rail has provided a new service from Sheffield to Huddersfield to Bradford.

Mr. Ridley: I am now considering the report which has been submitted by the transport users' consultative committee for Yorkshire and in due course I will decide whether to give consent to the closure having taken into account all the relevant factors.

ENVIRONMENT

Somerset Levels and Moors

Sir Edward du Cann asked the Secretary of State for the Environment if he will make a statement on the strategy for the Somerset levels and moors, published by Somerset county council, a copy of which has been sent to him.

Mr. Waldegrave: I welcome the publication of Somerset county council's recent strategy document for the Somerset levels and moors, which represents the culmination of several years painstaking research and consultation. Somerset county council hopes that it will provide a framework for harmonizing the various interests of agriculture, land drainage, nature conservation, landscape, peat extraction, archeology and recreation and tourism. I wish the council success in its implementation.

Merseyside

Mr. Parry asked the Secretary of State for the Environment if he will make a statement on his recent visit to Merseyside.

Mr. Patrick Jenkin: I refer the hon. Member to the answer I gave to the hon. Member for Liverpool, West Derby (Mr. Wareing) on Thursday 25 April 1985 at column *549*.

Inner City Partnership Areas

Mr. John Fraser asked the Secretary of State for the Environment if he will give details of the inner city partnership areas which fall within local authorities which have been subject to rate capping or rate support grant penalties; and if he will give details of the relevant penalty or rate limitation and the year in which it occurred.

Mr. Kenneth Baker: The information is in the table.

	*Holdback Penalty				*Rate Limitation 1985-86	
Authority	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*Expenditure level*	*Rate limit*
	£ million	*£ million*	*£ million*	*£ million*	*£ million*	*Pence*
Birmingham	—	—	—	—	N/A	N/A
Hackney	—	1·359	1·097	1·930	82·315	147·18
Islington	—	1·194	0·060	17·514	85·564	112·07
Lambeth	—	—	2·175	14·183	113·558	107·57
Liverpool	3·479	6·517	0·800	3·193	N/A	N/A
Manchester	—	5·261	0·611	—	N/A	N/A
Salford	—	—	1·085	—	N/A	N/A
Newcastle	—	5·046	5·549	5·239	N/A	N/A
Gateshead	—	—	2·666	0·392	N/A	N/A

*Figures from the latest supplementary report for each year.

Rateable Values

Mr. Speller asked the Secretary of State for the Environment if he will seek powers to prevent local authorities increasing the rateable value of properties when these have been improved by the provision of energy-saving measures or appliances.

Mr. Waldegrave: No. Nearly all the common energy saving measures such as loft insulation, double glazing and cavity wall insulation already have little or no effect on rateable values. Moreover, section 21 of the Local Government Act 1974 provides that central heating systems installed after 1 April 1974 and any minor improvements, including energy saving improvements,

carried out from that date which would have had the effect of raising the gross value by £30 or less, will not normally result in an increase in the rateable value of a dwelling until the next revaluation.

Equal Opportunities

Mr. Janner asked the Secretary of State for the Environment whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Patrick Jenkin: Broadly speaking, yes. My Department is reviewing its policies and procedures to ensure equality of opportunity on the grounds of both race and sex. It is also participating in the service-wide development of policy and the creation of an adequate data-base on which the success of such policies can be evaluated. The Department's equal opportunities officers play a leading role in such work and promulgate appropriate guidance and instruction. All staff have been advised of the Department's general policy on race and sex equality through office circulars published in November 1984 and March 1985.

Single Women (Accommodation)

Mr. Janner asked the Secretary of State for the Environment how many single women between the ages of 16 and 18 years were refused accommodation by councils and housing associations in the last five years for which records are available; and, of these, how many and what percentage were subsequently offered accommodation as a result of becoming single mothers.

Sir George Young: This information is not available.

Mr. Janner asked the Secretary of State for the Environment how many and what percentage of people living in council or housing association accommodation in the last five years for which records are available were single mothers between the ages of 16 and 18 years at the time when the accommodation was originally allocated to them.

Sir George Young: This information is not available.

Field Heath Nurseries (Appeal)

Mr. Shersby asked the Secretary of State for the Environment why the outcome of the appeal by Costain Homes Ltd. and Milton Hardings Ltd. against the decision of the London borough of Hillingdon in respect of Field Heath Nurseries has still not been determined.

Mr. Macfarlane: The proposals raise matters of some complexity requiring careful consideration. Once these are clarified, a decision will be issued.

Ascension Island (Airport)

Mr. Dalyell asked the Secretary of State for the Environment what is the latest cost estimate for the new airport apron, hangars and accommodation for service men at Ascension Island.

Sir George Young: I refer the hon. Member to the answer I gave him on 26 March at column *149*.

Falkland Islands (Airport)

Mr. Dalyell asked the Secretary of State for the Environment if he will give a breakdown of the £119 million spent at Mount Pleasant for new Army facilities.

Sir George Young: As I explained in my answer to the hon. Member of 22 October at column *490* there are two phases to the provision of the Army facilities at Mount Pleasant. The current estimates for phase I and II at September 1984 prices stand at £25 million and £94 million respectively.

Local Government Reform

Mr. Tony Banks asked the Secretary of State for the Environment what mechanism will be employed to ensure that London boroughs adhere to the Greater London development plan in the transitional period between the proposed abolition of the Greater London council and the commencement of the unitary development plan system.

Mr. Macfarlane: The GLDP will have the full weight of statute behind it until superseded by adopted unitary development plans. Planning applications constituting departures from the GLDP which boroughs propose to allow will be referred to my right hon. Friend for him to decide whether they should be called in for determination.

Crown Court, Reading

Sir Gerard Vaughan asked the Secretary of State for the Environment what progress has been made over discussions on the siting of the new Crown court for Reading; and if he will make a statement.

Sir George Young: Officials of the Property Services Agency and the Lord Chancellor's Department had preliminary and without prejudice discussions about this matter with officers of the Berkshire county council on 27 March 1985. Further such discussions are expected to take place shortly.

South-East (Planning Co-ordination)

Mr. Tony Banks asked the Secretary of State for the Environment (1) what discussions he has held with the London Boroughs Association and the London and south-east regional planning conference regarding amendments to the arrangements for strategic planning co-ordination in the south-east;

(2) what discussions he has had with the London Boroughs Association and the London and south-east regional planning conference about amendments to his proposals for a London planning commission.

Mr. Macfarlane: My right hon. Friend the Minister for Local Government met representatives of the London and south-east regional planning conference (known as SERPLAN) on 11 December and my noble Friend, the Minister of State, met representatives of that body on 22 April. My right hon. Friend is arranging to meet the LBA shortly.

Local Government Bill

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to his reply on 7 March, *Official*

Report, column 544, why his Department took until 23 January before replying to the Association of London Borough planning officers' letter of 16 November 1984.

Mr. Macfarlane: The letter from the Association of London Borough Planning Officers dated 16 November followed a discussion between my Department and representatives of the association on 5 October 1984 and it was assumed that the letter was to record the association's views. Following the discussion in Standing Committee G on 17 and 22 January, a further meeting was suggested by my Department to pursue the matter.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to his reply on 7 March, *Official Report*, column 544, what was the result of his Department's offer to meet the Association of London Borough Planning Officers to discuss the planning proposals in the Local Government Bill.

Mr. Macfarlane: There has been no reply from the association to my Department's letter of 23 January 1985, to which I referred in the answer to the hon. Member on 7 March, but my officials have been in touch with the association to arrange a meeting.

London Docklands Development Corporation

Mr. Tony Banks asked the Secretary of State for the Environment (1) what programme for infrastructure works and reclamation the London Docklands Development Corporation has for land within the London Docklands (East Docklands) Compulsory Purchase Order 1985; how the programme is phased and over what period; which sites are included in each phase; and what is the cost of each phase;

(2) in respect of how much land within the London Docklands (East Docklands) Compulsory Purchase Order 1985 the London Docklands Development Corporation has specific proposals.

Sir George Young: The LDDC published its draft development framework for the royal docks in January 1985. This presents a strategic framework for infrastructure and reclamation works which will provide the context for future development. Public consultation is now in progress. The corporation is discussing a number of individual development initiatives for the docks within this framework and, once their viability has been assessed, details will be provided to the local authorities and other interested parties.

Mr. Tony Banks asked the Secretary of State for the Environment what information he has as to how much land within the London Docklands Development Corporation area, not acquired by the London Docklands Development Corporation, was either newly developed or in the process of development by 31 December 1984.

Sir George Young: This information is not available.

Mr. Tony Banks asked the Secretary of State for the Environment (1) in respect of how much of the land acquired by the London Docklands Development Corporation within the Royal Victoria dock the London Docklands Development Corporation has specific proposals; and what are these specific proposals;

(2) what programme for infrastructure or reclamation works the London Docklands Development Corporation has for land acquired by it within the Royal Victoria dock; how this programme is phased; and what is the cost of each phase.

Sir George Young: The details of the Royal Victoria dock infrastructure programme and its phasing, will be confirmed once the consultation programme on the royal docks development framework is complete. The LDDC's recently published Operational Plan makes the following provision for the royal docks area, which chiefly covers work within the Royal Victoria dock and its immediate area:

	£ million
1985-86	4·0
1986-87	7·2
1987-88	9·4

Mr. Tony Banks asked the Secretary of State for the Environment how much of the land acquired by the London Docklands Development Corporation on which new development had taken place, or had started by 31 December 1984, was subject to works by the London Docklands Development Corporation before development could take place; and at what cost.

Sir George Young: This information is not available in the form requested. However, 77 per cent. of the land disposed by the corporation up to 31 March required infrastructure works before disposal. I refer the hon. Gentleman to the answers I gave him on 15 April 1985 at column *122* and 20 February 1985 at column *488* about costs.

Mr. Tony Banks asked the Secretary of State for the Environment if he will list the total value of contracts and the number of consultants retained by the London Docklands Development Corporation in each year since its creation.

Sir George Young: I will answer this question shortly.

Local Government Expenditure

Mr. Tony Banks asked the Secretary of State for the Environment (1) if he will list all the applications under sections 7, 8 and 9 of the Local Government (Interim Provisions) Act which were outstanding on 25 April and the date on which the applications had been received;

(2) if he will list each consent applied for under section 7 of the Local Government (Interim Provisions) Act by the Greater London council and each of the metropolitan county councils and give the date the application was made, together, where appropriate, with the date on which consent was granted;

(3) how many staff are employed, and what are their grades, by his Department to process consent applications under sections 7, 8 and 9 of the Local Government (Interim Provisions) Act.

Mr. Waldegrave: I shall reply shortly.

Mr. Tony Banks asked the Secretary of State for the Environment how many representations he has received relating to section 7 of the Local Government (Interim Provisions) Act.

Mr. Waldegrave: Numerous representations have been received, not all of which were relevant to the determination of particular applications for consent.

Mr. Tony Banks asked the Secretary of State for the Environment if he will make a statement about delays in granting consent for applications received under section 7 of the Local Government (Interim Provisions) Act 1984.

Mr. Waldegrave: All applications are considered carefully and expeditiously on their individual merits.

Mr. Tony Banks asked the Secretary of State for the Environment what representations he has had from prospective purchasers of properties requiring consent under section 8 of the Local Government (Interim Provisions) Act 1984.

Mr. Waldegrave: Numerous representations have been received. Many involved transactions for which no application for consent had been received from the authority concerned.

Mr. Tony Banks asked the Secretary of State for the Environment what measures he is taking to ensure that all consent applications under section 8 of the Local Government (Interim Provisions) Act 1984 are processed within one month of submission.

Mr. Waldegrave: Sufficient to ensure that all applications are considered expeditiously on their individual merits.

Mr. Tony Banks asked the Secretary of State for the Environment how many consent applications under section 8 of the Local Government (Interim Provisions) Act 1984 submitted by the Greater London council before 1 February 1984 are still awaiting written consent.

Mr. Waldegrave: Three. In each case the delay is due to the GLC's failure to supply further information requested to enable proper consideration to be given to the application.

Mr. Tony Banks asked the Secretary of State for the Environment how many consent applications under sections 7, 8 and 9 of the Local Government (Interim Provisions) Act are still being considered by his Department.

Mr. Waldegrave: 1,065.

Mr. Tony Banks asked the Secretary of State for the Environment how many consent applications for the Greater London council and each of the metropolitan county councils under section 8 of the Local Government (Interim Provisions) Act were for a value of less than *(a)* £100, *(b)* between £100 and £1,000, *(c)* between £1,000 and £10,000, *(d)* between £10,000 and £100,000, *(e)* between £100,000 and £1 million and *(f)* over £1 million, respectively.

Mr. Waldegrave: Financial considerations are not always a material factor in determining applications under the Act and such details have not been supplied or sought in every case. The information requested is as follows:

Number of applications by value (£)

Authority	*Not specified*	*Under £100*	*£100 to £999*	*£1,000 to £9,999*	*£10,000 to £99,999*	*£100,000 to £1 million*	*Over £1 million*
Greater London council	365	190	213	648	450	60	5
Greater Manchester county council	38	97	103	181	123	8	—
Inner London education authority	180	527	—	—	—	—	—
Merseyside county council	57	34	30	51	7	4	—
South Yorkshire county council	105	109	68	116	36	2	—
Tyne and Wear county council	3	20	17	64	22	1	—
West Midlands county council	36	114	51	180	121	7	1
West Yorkshire county council	64	32	26	59	34	3	—
All Authorities	848	1,123	508	1,299	793	85	6

Mr. Tony Banks asked the Secretary of State for the Environment how many consent applications under each of section 7, section 8 and section 9 of the Local Government (Interim Provisions) Act have been refused for each of the metropolitan county councils, the Greater London council and the Inner London education authority.

Mr. Waldegrave: None, but consent has been withheld in some cases pending receipt of further information or assurances from the applicant authority.

Mr. Tony Banks asked the Secretary of State for the Environment what was the longest period for which a case submitted under sections 7, 8 and 9 of the Local Government (Interim Provisions) Act remained with his Department before consent was given.

Mr. Waldegrave: 137 days.

Mr. Tony Banks asked the Secretary of State for the Environment (1) how many consent applications citing clause 89 of the Local Government Bill have been received from each of the metropolitan county councils, the Greater London council and the Inner London education authority;

(2) how many consent applications have been received under section 9 of the Local Government (Interim Provisions) Act from each of the metropolitan county councils, the Greater London council and the Inner London education authority;

(3) how many consent applications have been received under section 8 of the Local Government (Interim Provisions) Act from each of the metropolitan county councils, the Greater London council and the Inner London education authority;

(4) how many consent applications have been received under section 7 of the Local Government (Interim Provisions) Act from each of the metropolitan county councils and the Greater London council;

(5) how many consent applications citing clause 90 of the Local Government Bill have been received from each of the metropolitan county councils, the Greater London council and the Inner London education authority.

Mr. Waldegrave: Details are set out in the table.

Number of Applications received up to 25 April 1985

Authority	Local Government (Interim Provisions) Act 1984			Local Government Bill		Total
	Section 7	Section 8	Section 9	Clause 89	Clause 90	
GLC	140	1,931	195	10	21	2,297
Greater Manchester	16	550	94	5	11	676
ILEA	24	707	13	—	—	744
Merseyside	10	183	29	—	2	224
South Yorkshire	13	436	105	—	44	598
Tyne and Wear	364	127	45	1	—	537
West Midlands	46	510	107	—	5	668
West Yorkshire	12	218	45	—	—	275
Total	625	4,662	633	16	83	6,019

Mr. Tony Banks asked the Secretary of State for the Environment (1) when he expects to reach a decision on the application for consent under section 7 of the Local Government (Interim Provisions) Act in respect of the women's peace bus;

(2) when he exects to reach a decision on the application for consent under section 7 of the Local Government (Interim Provisions) Act in respect of the London lesbian and gay centre;

(3) when he expects to reach a decision on the application for consent under section 7 of the Local Government (Interim Provisions) Act in respect of Interights;

(4) when he expects to reach a decision on the application for consent in respect of Spare Rib under section 7 of the Local Government (Interim Provisions) Act;

(5) when he expects to reach a decision on the application for consent under section 7 of the Local Government (Interim Provisions) Act in respect of Searchlight.

Mr. Waldegrave: As soon as possible.

Turtle Products

Mr. Tony Banks asked the Secretary of State for the Environment what information he has on the take-up of import permits for turtle products in each complete year since 1979; and what were the products and their values.

Mr. Waldegrave: For each complete year since 1979 import permits granted for turtle products have been taken up as follows:

Year	Number of permits used
1979	10
1980	5
1981	18
1982	39
1983	11
1984	32

These permits related to various products, including meat, bones, handbags, shells and tortoiseshell items. The statistics kept by my Department do not include the value of these products.

Whale Products

Mr. Tony Banks asked the Secretary of State for the Environment what information he has as to the take-up of import permits for whale products in each complete year since 1979, the products imported, and their value.

Mr. Waldegrave: For each complete year since 1979 import permits granted for whale products have been taken up as follows:

Year	Number of permits used
1979	6
1980	15
1981	11
1982	12
1983	5
1984	9

These permits related to various products, including teeth, bone, tusk, blood, blubber, powder, sperm, sperm oil and spermaceti wax. The statistics kept by my Department do not include the value of these products.

Merseyside

Mr. Wareing asked the Secretary of State for the Environment if he will make a statement on his visit to Merseyside on 22 and 23 April; and what practical and financial assistance to Liverpool will result from it.

Mr. Patrick Jenkin[*pursuant to his reply*, 25 April 1985, c. *549*.]: I visited Merseyside on 22 and 23 April 1985 to review progress on some of the intiatives launched in the area in recent years.

I arrived on the evening of 22 April to attend one of the regular meetings that Halton borough council hold with members of the local business community at the invitation of the leader of the council. I offered to consider urban programme help with premises for a proposed new development agency for the borough. On the morning of 23 April I held a press conference in Liverpool where I made a statement and answered questions about the Liverpool city action team.

I then visited the site of the former Courtaulds factory at Aintree which is now in the hands of private developers who, with the help of derelict land grant, are reclaiming the site for industrial use. I was pleased to learn that jobs with the firms on the industrial estate now nearly equals the jobs lost when Courtaulds closed.

I later visited Cammell Laird (Shipbuilders) Ltd, Birkenhead and met the managing director and the shop stewards' committee. I was also able to see work in progress on the Type 42 destroyer, HMS Edinburgh, which they are constructing in their yard.

After lunch, I toured the Liverpool freeport where I met the freeport manager and representatives of the two companies established within the freeport area. One, a

textile firm already employs about forty people most of whom were unemployed before the freeport was established.

The visit enabled me to satisfy myself at first hand that the substantial public funds made available to these projects are being used to best effect.

The matter of Liverpool city council's budget was not discussed during the visit. I have made it quite clear on numerous occasions that I am not prepared to re-open discussions on this year's rate support grant. The responsibility for setting a legal budget rests fairly and squarely with the city council.

ENERGY

Coal Industry Dispute

Mr. Nellist asked the Secretary of State for Energy if when he next meets the chairman of the National Coal Board, he will discuss the numbers of miners dismissed by the board during the 1984-85 strike.

Mr. David Hunt: No.

Renewable Resources

Mr. Hayward asked the Secretary of State for Energy what is the Government's policy on renewable energy resources; and if he will make a statement.

Mr. Buchanan-Smith: I refer to the answer given earlier today to my right hon. Friend the Member for Chipping Barnet (Mr. Chapman).

Oil-fired Generating Capacity (Conversion)

17. **Mr. Pike** asked the Secretary of State for Energy if, when he next meets the chairman of the Central Electricity Generating Board, he proposes to discuss the conversion of oil-fired generating capacity to coal.

Mr. Goodlad: It is for the CEGB to consider whether, in the light of all the relevant factors, it should invest in the conversion of any of its oil-fired stations to coal. I will discuss with the chairman any specific proposals made by the board.

Energy Efficiency Project

18. **Mr. Speller** asked the Secretary of State for Energy if he will make a statement on progress in energy efficiency projects within Government Departments including his own.

Mr. Peter Walker: As a result of my initiatives there is increased pressure on Government Departments to improve energy efficiency in the activities they influence.

Coal Industry (Conciliation and Consultation)

19. **Mr. Eadie** asked the Secretary of State for Energy if he is satisfied that the normal processes of conciliation and consultation are being carried out in the coal industry.

Mr. David Hunt: The operation of consultation and conciliation procedures within the coal industry are matters for the National Coal Board.

Colliery Closure Review Procedure

20. **Mr. Powell** asked the Secretary of State for Energy what plans he has to meet the chairman of the National Coal Board to discuss implementation of the revised colliery closure review procedure.

Mr. Peter Walker: I understand from the National Coal Board that a sub-committee of the Coal Industry National Consultative Committee, set up to discuss the implementation of a modified colliery review procedure, has now had its first meeting. The committee consists of representatives of the three main coal industry unions—NUM, NACODS and BACM—and the National Coal Board. I hope their discussions will lead to early agreement.

Miners (Working Conditions)

21. **Mr. Dormand** asked the Secretary of State for Energy what discussions he has had with the chairman of the National Coal Board since the ending of the miners' strike concerning the working conditions of miners.

Mr. David Hunt: The National Coal Board has made clear that, as work resumes following the strike, safety must be the prime consideration.

Electricity Prices

22. **Mr. Maclennan** asked the Secretary of State for Energy what representations he has received about the present mode of fixing electricity prices to the consumer.

Mr. Goodlad: I have received no representations recently on this matter.

Mining Industry Manpower

24. **Mr. Orme** asked the Secretary of State for Energy what estimate his Department has made of the total manpower in the mining industry by the end of 1985.

Mr. Peter Walker: The board is undertaking a thorough review of the damage done by the strike and its options for the future. No estimate is yet possible of the total manpower of the industry by the end of the year.

National Coal Board (Redundancies)

25. **Mr. Barron** asked the Secretary of State for Energy if he has had discussions with the chairman of the National Coal Board on the number of redundancies likely in the year 1985-86.

Mr. Peter Walker: I refer the hon. Gentleman to the answer I gave earlier today to the right hon. Member for Salford, East (Mr. Orme).

North Sea Oil

26. **Mr. Coleman** asked the Secretary of State for Energy what percentage of United Kingdom North sea oil is refined within the United Kingdom; how many jobs there are in United Kingdom refineries; what is the regional breakdown of this figure; and how these figures compare with the figures in May 1979.

Mr. Buchanan-Smith: I refer to the answer I gave earlier to the hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands). A regional breakdown is not readily available.

Equal Opportunities

Mr. Janner asked the Secretary of State for Energy what is the sex and ethnic origin of the officer designated by his Department as equal opportunities officer.

Mr. Peter Walker: The equal opportunities officer designated by my Department is male and is of white European ethnic origin.

Mr. Janner asked the Secretary of State for Energy whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Peter Walker: Yes on the basis of the information now available. To ensure equality of opportunities so far as possible, we will be conducting ethnic surveys of all staff under the Government's phased programme to enable ethnic monitoring to be carried out. The implementation of the programme of action on women in the Civil Service, announced on 9 February 1984, is being carefully monitored. An equal opportunities officer has been designated to co-ordinate non-discrimination policy in my Department and a joint management/trade union committee has been formed to review progress on this issue.

SCOTLAND

Crofter Housing

Mr. Donald Stewart asked the Secretary of State for Scotland if he will now abandon the policy of refusing grant and loan for crofter housing to single men resident with their parents.

Mr. Younger: Each application for housing assistance is considered on its merits but assistance is not generally given if the applicant is already satisfactorily housed within working distances of the croft. Assistance will be given, regardless of marital status, if there is a demonstrated need for the provision of a house to enable the croft to be worked.

Mr. Donald Stewart asked the Secretary of State for Scotland if will now increase the amount of grant and loan for crofting houses.

Mr. Younger: No.

Local Authority Spending

Lord James Douglas-Hamilton asked the Secretary of State for Scotland when he expects to reach a decision on selective action against certain overspending councils.

Mr. Ancram: I am still examining the budget returns of authorities and hope to reach decisions soon.

Forestry Reserves

Mr. Skeet asked the Secretary of State for Scotland if he will give the area covered by afforestation in the United Kingdom in 1950, 1960, 1970 and 1980 and his estimate of expected life of reserves of current rates of extraction.

Mr. John MacKay: The area of woodland in each of these years was as follows:

Year	*Area (hectares)*
1950	1,525,000
1960	1,700,000
1970	1,880,000
1980	2,180,000

These figures include unproductive woodland.

Woodlands are a renewable resource and, given their effective management, the life of timber reserves should be infinite.

Norway Pout

Mr. Donald Stewart asked the Secretary of State for Scotland if Her Majesty's Government will make it its policy at the European Economic Community Council of Fisheries Ministers, to support the reversion to a 10 per cent. level of the Norway pout by-catch.

Mr. Younger: Yes.

Herons

Mr. Kilroy-Silk asked the Secretary of State for Scotland how many applications for licences to kill herons were received in 1983, 1984 and so far in 1985; how many licences were granted; what were the locations; how many birds were allowed to be killed in each case; how many were actually killed; what deterrent advice was given; and what were the reasons for granting and refusing licences.

Mr. John Mackay: The details are as follows:

a. Applications received, 1983: 5, 1984: 6, 1985: 4

b. Licences granted, 1983: 5, 1984: 6, 1985: Nil so far

c. Locations (by admibernistrative region)

1983	
Dumfries and Galloway	1
Highland	1
Tayside	2
Fife	1
TOTAL	5
1984:	
Dumfries and Galloway	2
Highland	1
Tayside	3
TOTAL	6

d. No limits were placed on the numbers of birds to be killed.

e. Numbers killed under licence:

	Location	*Number*
1983		
	Dumfries and Galloway	16
	Highland	3
	Tayside	13
	Fife	2
	TOTAL	34
	1984:	
	Dumfries and Galloway	28
	Highland	2
	Tayside	14
	TOTAL	44

f. The advice of the Royal Society for the Protection of Birds was made generally available to all applicants for licences.

g. Licences were issued in 1983 and 1984 to prevent damage to farmed trout stocks. The applications for licences for 1985 are under consideration.

Equal Opportunities

Mr. Janner asked the Secretary of State for Scotland whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Younger: Yes. The implementation of the programme of action on equal opportunities for women in the Civil Service is being progressed in my Department by a joint management and trade union group and advice is being given to staff as matters are agreed by the group. No new advice on race discrimination has lately been given to staff.

Rates

Mr. Hirst asked the Secretary of State for Scotland if he will estimate the approximate cost of granting relief to proprietor managed businesses in Scotland in order to restrict the increase in their commercial rates bill for 1985-86 to an amount not exceeding *(a)* 125 per cent., *(b)* 133⅓ per cent. and *(c)* 150 per cent. of their corresponding 1984-85 rates bill.

Mr. Ancram: Entries on the valuation roll do not permit identification of properties which might be in use by owner-managed businesses, so the information on which to base the estimates requested is not available.

Morbidity

Mr. Canavan asked the Secretary of State for Scotland if, in accordance with the Croham directive, he will publish all background papers originating in his Department on the subject of the methodology of the Lenihan investigation into morbidity in the Denny, Bonnybridge and Larbert area; and if he will make a statement.

Mr. John MacKay: I presume the hon. Member is referring to the Crohan directive on the publication of official papers containing factual and analytical material used as the background to major policy studies. The Lenihan review group was an independent body and its members were free to determine what methodology should be used for conducting their review. No Departmental guidance was given to them on this matter.

Fishermen (Fuel Costs)

Mr. McQuarrie asked the Secretary of State for Scotland (1) if he will estimate the cost of cutting the present price of marine gas oil charged to fishing vessel owners in order to reduce that cost by 25 pence per gallon;

(2) if he has any information on the weekly fuel bill cost of a fishing vessel of 80 feet in length;

(3) what information he has as to the cost of one gallon of marine fuel oil for fishing vessels in the years 1980, 1981, 1982, 1983, 1984 and the lastest available figures for 1985;

(4) what is the amount of rebate granted to fishing vessels when purchasing marine gas oil; and whether value added tax on the purchase of this commodity is recoverable by the vessel owner.

Mr. John MacKay [*pursuant to his reply*, 4 April 1985, c. *736*]: I estimate that, for the Scottish fleet, the cost of cutting the price of gas oil by 25 pence per gallon for a year would be between £6 million and £8 million.

The amount of fuel used by individual vessels varies with engine size, fishing method and distance of the grounds from the home post, but a typical 80 foot seiner would use at least 1,000 gallons of gas oil per week at a current cost of about £1,000.

Fuel oil prices vary from port to port and from supplier to supplier. The following are typical prices for gas oil in Peterhead—

April of Year	*Pence per gallon (including duty)*
1980	65
1981	73
1982	83
1983	83
1984	87
1985	103

These prices would generally attract discounts, the levels of which have fluctuated over the years. I understand that currently a discount of about 8 pence per gallon is common.

Full relief from excise duty (normally 3½ pence per gallon) is allowed on marine gas oil used on board British registered fishing boats. This fuel is normally zero-rated for value added tax purposes.

EMPLOYMENT

Equal Opportunities

33. **Mr. Janner** asked the Secretary of State for Employment what methods are used by the Manpower Services Commission in its pursuit of an equal opportunities policy and in encouraging the participation of all eligible youngsters in mode A schemes.

Mr. Peter Morrison: The commission encourages all young people, irrespective of sex, race, or disability, to consider the full range of opportunities available under the youth training scheme. It is the responsibility of the referral agencies, such as careers offices, to identify the training programme which will be of greatest benefit to the young person concerned, and the commission provides guidance to this end. The commission also pursues its equal opportunity policy through a variety of methods including publicity material, regular monitoring of trainee participation, and the identification of particular groups of young people who have special needs.

Mr. Janner asked the Secretary of State for Employment of what sex and ethnic origins are the officers designated by his Department as equal opportunities officers.

Mr. Peter Bottomley: Of the 24 officers currently designated as equal opportunity officers in the Department of Employment group, five are female. Their ethnic origin is not at present recorded.

Mr. Janner asked the Secretary of State for Employment whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately

been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Peter Bottomley: The Department of Employment group's policy is that there must be no unfair discrimination against staff on grounds of sex or race, and this has been made clear to all staff. Implementation of the programme of action on women in the Civil Service is underway and arrangements are in hand to monitor the various aspects. In common with other Departments we will be conducting surveys of the ethnic origin of all staff to enable equality of opportunity for ethnic minorities to be monitored. The equal opportunity officers throughout the Department of Employment group give constructive day to day advice to staff and managers on the implementation of the whole range of equal opportunity policies.

MSC Training (Merseyside)

Mr. Kilroy-Silk asked the Secretary of State for Employment how many full-time Manpower Services Commission training places are available at each training centre on Merseyside.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Youth Training

Miss Boothroyd asked the Secretary of State for Employment, pursuant to his reply of 2 April, *Official Report*, columns 534-536, if he will publish the sources of the information given in table 2 (Destination of youth opportunity programme and youth training scheme trainees); if he well list as a percentage of the total number of people who have been on youth training schemes or youth opportunity programmes for each of the last five years the numbers of people who found work on completion of training schemes; if he will provide information on a regional basis about post youth training scheme employment rates; if the statistics of post youth training scheme employment are based on the response of ex-trainees; what steps he takes to satisfy himself of the accuracy of the information provided; and whether he will make a statement.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Wages

Mr. Austin Mitchell asked the Secretary of State for Employment whether he will publish in the *Official Report* a table showing for the United Kingdom, the USA, Japan and Germany the percentage increase in wages in industry as a percentage of the increase in unit costs since March 1983 before and after conversion to the pound sterling at the relevant rates of exchange.

Mr. Peter Bottomley: The available information for manufacturing industries is given in the following table. Fully comparable international data on earnings and unit wage costs (wages and salaries per unit of output) are not available, and so comparisons should be treated with caution.

Earnings and Unit Wage Costs
Manufacturing, seasonally adjusted, from March 1983 to latest available date

	National currency	*Converted to £ Sterling*	*(latest available date)*
Great Britain			
(a) per cent. change in average gross weekly earnings	+18·5	+18·5	(Feb 1985)
(b) per cent. change in unit wage costs	+7·9	+7·9	
(c) (a) as a percentage of (b)	234	234	
United States			
(a) per cent. change in hourly earnings (production workers)*	+8·3	+42·1	(Jan 1985)
−3·4	+26·7		
(c) (a) as percentage of (b)	NA	158	
Japan			
(a) per cent. change in monthly earnings (regular workers)	+6·7	+27·9	(Nov 1984)
(b) per cent. change in unit wage costs	−7·9	+10·4	
(c) (a) as a percentage of (b)	NA	268	
Germany (Federal Republic)‡			
(a) per cent. change in hourly earnings*	+3·5	+0·8	(Oct 1984)
(b) per cent. change in unit wage costs‖	−3·6	−6·2	
(c) (a) as percentage of (b)	NA	NA	

* Not seasonallly adjusted.
† Includes non-wage labour costs (per unit of output).
‡ 1983 date relate to April.
‖ Mining and Manufacturing.
NA Not available, as it is not meaningful to divide a positive by a negative number.
Source: OECD 'Main Economic Indicators' except Great Britain.

Noise

Mr. Flannery asked the Secretary of State for Employment when the EC noise directive document is to be finalised.

Mr. Peter Bottomley: This will depend upon the progress made in discussions between officials of the member states, which are continuing, and upon

consideration of the outcome of the those discussions by the Council of Labour and Social Affairs Ministers in June.

Unemployment Benefit

Mr. Adley asked the Secretary of State for Employment what co-ordination is undertaken to ensure that information relating to those *(a)* entitled to and *(b)* actually claiming unemployment benefit, validates comparisons on unemployment and employment statistics within the European Economic Community and the Organisation for Economic Co-operation and Development.

Mr. Alan Clark: Unemployment figures for EC or OECD member states obtained directly from administrative sources are not generally comparable, although they can be useful for comparing the latest trends. The labour force survey, a sample survey of households which is conducted at least every two years in EC countries, provides a consistent basis for comparison of unemployed people seeking work in those countries. The OECD use various sources, usually household survey information supplemented by the latest figures from administrative sources, to estimate standardised unemployment rates for major OECD countries, according to guidelines of the International Labour Organisation.

Earnings

Mr. Deakins asked the Secretary of State for Employment what has been the real increase in earnings in the private sector in each of the past three years.

Mr. Peter Bottomley: Estimates of the percentage increase in real average gross earnings of full-time employees in the private sector are shown in the table.

Changes in real average gross weekly earnings of full-time adult employees in the private sector who worked a full week

April	*Percentage*
1981-82	*+1·3
1982-83	*+4·5
1983-84	†+4·3

* Estimates are based on earnings for men aged 21 and over and women aged 18 and over.
† Estimates are based on earnings for men and women on adult rates.
These estimates are derived from the new earnings survey figures delated to constant prices using the retail price index.

Industrial Accidents

Mr. Ron Brown asked the Secretary of State for Employment (1) how many workers sustained serious burns in the United Kingdom during 1984 as a result of industrial accidents;

(2) how many workers in the United Kingdom died from burns in 1984 following industrial accidents.

Mr. Peter Bottomley: Information for 1984 is not yet available.

In 1983, 647 major injuries and 25 fatalities associated with burns suffered by employees and the self-employed at work in Great Britain were reported to the Health and Safety Executive and Railway Inspectorate under the Notification of Accidents and Dangerous Occurrences Regulations 1980.

Market Research

Mr. Coombs asked the Secretary of State for Employment what use is made of market research by his Department; and if he will make a statement.

Mr. Peter Bottomley: My Department makes use of market research infrequently where it is felt to be an appropriate way of obtaining information for the Department's needs.

Trade Unions (Ballots)

Mr. Teddy Taylor asked the Secretary of State for Employment if he will introduce legislation to extend the requirement for secret ballots to be held in the case of the election of general secretaries of trade unions so that it applies whether or not they have voting rights in union executive committees.

Mr. Peter Bottomley: The provisions of the Trade Union Act 1984 concerning union elections come into force on 1 October 1985. It would be premature to consider amending legislation which is not yet in force.

Machine Tools

Mr. Nicholas Winterton asked the Secretary of State for Employment what has been the total number of people employed in the machine tool manufacturing industry in each quarter in each of the last five years for which figures are available.

Mr. Alan Clark: In September 1981, the earliest date for which analyses by Activity Heading of the 1980 standard industrial classification are available, there were an estimated 40,500 employees in employment in Great Britain in the metal-working machine tools industry (activity heading 3221). In December 1984, the latest available date, the corresponding figure was 30,000. Figures for each quarter between these dates were published in table 1.4 of the Historical Supplement to the April 1985 issue of *Employment Gazette*, a copy of which is in the Library.

Mr. Nicholas Winterton asked the Secretary of State for Employment if he will give a breakdown by region of the numbers of people employed in the machine tool manufacturing industry.

Mr. Alan Clark: The latest available figures for the industry in question are from the September 1981 census of employment and are as follows.

Employees in employment: by region: September 1981: metal-working machine tools (activity heading 3221 of the standing industrial classification 1980)

	Thousands
South East	9·5
East Anglia	0·8
South West	2·3
West Midlands	11·8
East Midlands	4·8
Yorkshire and Humberside	5·4
North West	2·7
North	1·4
Wales	0·5
Scotland	1·4

Results of the 1981 census of employment, giving regional estimates of employees in each industry, were

published in a supplement to the December 1984 issue of *Employment Gazette*. Estimates from the following (September 1984) census of employment are scheduled to become available in the latter part of this year.

Community Programme

Mr. Wilson asked the Secretary of State for Employment if there have been any recent changes in the eligibility criteria for placement in the community programme.

Mr. Peter Morrison: No. The last change was announced by my right hon. Friend on 30 July, at columns *121-122*, and took effect on 1 October.

Youth Training Scheme

Mr. Janner asked the Secretary of State for Employment what percentage of unemployed young people of eligible age for youth training schemes, mode A, in the years from September 1983 to March 1984 and from April 1984 to February 1985 were of *(a)* West Indian and *(b)* Asian origin respectively.

Mr. Alan Clark: The information is not available in the form requested. According to the 1983 labour force survey, in the second quarter of 1983 some 3 per cent. of unemployed people seeking work aged 16 and 17 years were of West Indian or Asian origin. The sample size of the survey is not sufficient to provide reliable figures for these two groups separately.

ACAS

Mr. Robert B. Jones asked the Secretary of State for Employment when he expects to receive the annual report of the Advisory Conciliation and Arbitration Service.

Mr. Tom King: I have received the ACAS report for 1984, which will be laid before both Houses of Parliament tomorrow, Tuesday 30 April. The report is also to be published tomorrow and copies will then be available from the Vote Office.

Michelin Company (Stoke)

Mr. Ashley asked the Secretary of State for Employment what steps he will take to ensure that those employees of the Michelin company in Stoke-on-Trent who are to be made redundant will receive their entitlements to benefit without delay.

Mr. Alan Clark: Special arrangements have been made for redundant employees at the Michelin company. An appointment system has been arranged for attendance at unemployment benefit offices and, although claims must be assessed on an individual basis, payment will be made as promptly as possible.

SOCIAL SERVICES

Abortion

Mr. Cohen asked the Secretary of State for Social Services if he will make a statement on the findings of the Women's National Commission working group's report on "Women and the Health Service" regarding the availability of National Health Service abortion services; and what action he proposes to take as a consequence of the report.

Mr. Kenneth Clarke: We have noted the Commissions findings. It is for health authorities to decide the level and scope of their provision for abortion, in the light of local needs and circumstances. We are discussing with them how delays in abortion operations might be reduced.

Benefits

Mr. Cohen asked the Secretary of State for Social Services what information he has as to the number of local authorities which make use of the 10 per cent. local discretion in respect of the housing benefit scheme.

Mr. Whitney: Information from authorities' initial subsidy claims for 1985-86 indicates that for the 467 authorities out of 489 who have made their claims, 199 intend to run local schemes in 1985-86.

NHS (Racial Discrimination)

Mr. Pavitt asked the Secretary of State for Social Services in how many cases of racial discrimination concerned with National Health Service appointments damages have been awarded; what is the total now thus awarded; what guidance is given on appointments to health authorities at regional and district level; and if he will make a statement.

Mr. Kenneth Clarke: We do not hold centrally the information requested. On the guidance issued to health authorities I refer the hon. Member to my reply on 2 April to the hon. Member for Islington, North (Mr. Corbyn) at column *581*.

SOCIAL SERVICES

Heating Additions

Mr. Cartwright asked the Secretary of State for Social Services how many estates have been proposed to his Department as qualifying for estate rate heating additions; how many have so far been approved; and what is the estimated number of claimants involved in each case.

Mr. Whitney: This information is not available in the form requested and could be obtained only at disproportionate cost. Over 650 submissions concerning estate rate heating additions have so far been received at the Department's headquarters. Each may cover all or part of one or several estates. 469 certificates have so far been issued designating estate heating systems as disproportionately expensive to run: again, each certificate may cover heating systems in all or part of one of several estates. Information is not available on the total number of claimants living in estates for which submissions have been received. The latest available estimate for the numbers of claimants entitled to estate rate heating additions (as at March 1984) is of the order of 50,000.

Drug Abuse

Mr. Irving asked the Secretary of State for Social Services how many regional and district health authorities have responded to the Department of Health and Social Security circular on drug abuse issued in June 1984; and if he will publish a summary of these responses.

Mr. John Patten: All 14 regional health authorities and two special health authorities have submitted reports to the Department as required by the circular. The reports by regional health authorities contain information obtained from their districts. We propose to publish information derived from these reports shortly.

Medical Negligence (Compensation and Litigation)

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services what was the total cost of *(a)* litigation and *(b)* compensation paid out by health authorities in cases involving alleged medical negligence for the last three years; and in how many such cases the health authorities won their case.

Mr. John Patten: We do not hold this information centrally.

Cervical Cancer

Mr. Knox asked the Secretary of State for Social Services whether he proposes any changes to the Government's policy on cervical cancer screening.

Mr. Kenneth Clarke: Screening for cervical cancer can save the lives of many women. The Government recognise the importance of an efficient screening programme as a vital preventive health measure. We are satisfied with the present advice on age and frequency of screening and we intend to continue to improve its effective implementation.

The biggest single problem is that the service is still not reaching sufficient numbers of older women. Many women who are no longer sexually active may believe they are no longer at risk. The vast majority of deaths, many avoidable, take place among these older women. All women of whatever age, who have at any time been sexually active should seek cervical smear tests at regular intervals.

All district health authorities (DHAs) should already have systems for recalling women patients for tests at five-yearly intervals. These systems do not, however, contact women who have never been tested at all. We now wish to see greater use of computers to contact women who have never been screened. The Government have financed the development of standard computer software and the hardware needed to operate this system is not costly. We are therefore telling all DHAs to arrange with their corresponding family practitioner committees (FPCs) to implement such a system on their behalf. Already over one-third of FPCs are using computers for call or recall, or have firm plans to do so. We are now saying that all should do so. We shall want to know the date by which each authority proposes to implement full computerised call and recall.

In addition, we want other available methods of reaching women most at risk to be used more extensively. Older women make considerable use of the primary care and hospital services. Their visits to doctors for any purpose provide opportunities for them to be offered a test. We shall be discussing with the profession and health authorities how GPs and hospitals should take advantage of these visits so that women who have not had a test during the past 5 years can be offered one. In this way, a steady increase in the number of women reached will be achieved.

We also intend to improve the effectiveness of laboratory facilities for processing smears. We must ensure that in the longer term the right number of suitably trained and qualified staff such as histopathologists become available. In the shorter term, improvements may be possible if priority can be given to smears from women most at risk. We shall be discussing with the professions involved and with health authorities how we can best achieve these objectives.

Finally, health authorities must ensure that there is effective follow-up of abnormal results. We believe that the possibility of error leading to tragic events can be considerably reduced by a simple administrative reform. We therefore want all authorities to move to a system where all women are notified that their test has been done and told who to contact for the result. We shall be discussing the details of this with the professions and authorities concerned.

The recent adverse publicity has obscured the fact that many health authorities and individual doctors are, by implementing our policy, providing a good service to women of all ages and preventing unnecessary deaths. We want all authorities to match the best. In addition to the measures outlined above, we are therefore telling all authorities to review again the effectiveness of their programme and to inform us of the outcome. We will insist that any authority which is not adequately protecting women in its area takes immediate steps to do so.

Community Health Councils

Mr. Dobson asked the Secretary of State for Social Services whether he intends that community health councils should continue in existence to the end of the present Parliament.

Mr. John Patten: Yes.

Single Payments

Mr. Gordon Brown asked the Secretary of State for Social Services what is the latest figure for the number of single payments made for *(a)* beds, *(b)* cookers, *(c)* furniture and *(d)* heating appliances; and what is the average value of each payment.

Mr. Whitney: Information on the number and average amount of single payments made for specific items is not available. Information from the annual statistical inquiry carried out in December 1982, the latest date for which it is available, is that 419,000 single payments were made in respect of essential furniture and household equipment and that the average payment was £74·62. Figures from the annual statistical inquiry relate to single payments made during the 12 months preceding the date of the inquiry to persons still in receipt of supplementary benefit at the time of the inquiry and do not, therefore, record all the single payments made during the year.

NHS (Waiting Lists)

Mrs. Dunwoody asked the Secretary of State for Social Services what is the cost of the current survey into National Health Service waiting lists.

Mr. John Patten: This information is not available centrally.

Mrs. Dunwoody asked the Secretary of State for Social Services if, as a result of the survey of National Health Service waiting lists, any patient's status on the waiting list is being changed by any staff other than qualified consultants.

Mr. John Patten: Authorities were asked to decide on the most effective way of carrying out the review according to local arrangements for maintaining waiting lists. They were expected to consult clinicians in both hospitals and general practice.

NHS (Regional Strategies)

Mr. Silvester asked the Secretary of State for Social Services what power he has to intervene in negotiations between district health authorities and their regions in the implementation of agreed regional strategies.

Mr. John Patten: The Secretary of State has wide powers of direction under the National Health Service Act 1977. However, we expect all health authorities to act reasonably and responsibly in implementing strategic plans within the resources available in line with normal management practice.

Child Care

Ms. Harman asked the Secretary of State for Social Services if he will publish the responses received to the discussion papers prepared by the child care law working party.

Mr. John Patten: The discussion papers were issued by the working party. The responses will be sent to them. We will consider what material to make available publicly when the working party's report has been submitted to us.

Ms. Harman asked the Secretary of State for Social Services whether the terms of reference of the working party review of child care law have been extended beyond codification of the present laws.

Mr. John Patten: The terms of reference of the working party on child care law are as follows:

"In the light of the Report of the Social Services Committee on Children in Care and of evidence given to the Committee and other relevant material to make proposals and set out options for codification and amendment of child care law."

Dental Anaesthesia

Mr. Wood asked the Secretary of State for Social Services what action his Department is taking to implement the report of the inter-faculty committee of the Royal College of Surgeons on training in dental anaesthesia.

Mr. Kenneth Clarke: The principal recommendation of the report from the inter-faculty committee of the Royal College of Surgeons on "Postgraduate Education and Training in Dental Anaesthesia, Analgesia and Sedation" is for the establishment of additional senior house officer training posts in dental anaesthesia. I am pleased to announce that we will be making funds available for the initial creation of a number of such posts. We shall be discussing the number and location of the posts with the Royal College of Surgeons and subsequently with regional health authorities.

Dental Charges

Mrs. Clwyd asked the Secretary of State for Social Services how much was collected in 1984-85 in National Health Service dental charges for crowns, for dentures and for other treatment, listed separately, for England; and how much is expected to be collected under the same headings in 1985-86.

Mr. Kenneth Clarke [*pursuant to his reply*, 1 April 1985, c. *498*]: Precise figures for the breakdown of the yield from charges into the three categories requested are not readily available but the estimated yield from charges in England in the financial year 1984-85 and the projected yield for 1985-86 (assuming their application to all chargeable courses of treatment completed in the year) for certain groups of dental treatments is as follows:

	1984-85 £ *million*	*1985-86* £ *million*
Crowns, inlays, pinlays	39·56	46·41
Dentures, bridges	37·84	41·99
Routine treatment	94·6	132·6

TRADE AND INDUSTRY

Beds (Fire Resistant Materials)

Mr. Dickens asked the Secretary of State for Trade and Industry if he will introduce legislation to ensure that all beds sold in the United Kingdom are manufactured from fire-resistant materials as used for hospital and prison beds; and if he will make a statement.

Mr. Fletcher: No, but the report by the United States Consumer Product Safety Commission mentioned in the *Daily Star* on 19 April is being carefully studied, and I shall be consulting British bedding manufacturers on the possibility of increasing the fire resistance of beds and mattresses. Inevitably it will be many years before more fire resistant beds in the shops can be expected to lead to fewer deaths and injuries in bed fires in people's homes.

It is not practicable to produce a completely fire proof bed. Smoking is the biggest single cause of bed fires, and until people follow the simple rule that one must never smoke in bed there will be tragic deaths from this cause.

Prison mattresses can be made to achieve a high degree of fire resistance, but they are less comfortable than most people would like. Similarly, it is doubtful whether many people would be willing to adopt the restricted choice of materials for blankets, sheets and similar items which some hospitals have introduced in conjunction with treatment of mattresses in order to give the whole bed a certain degree of fire resistance.

Nevertheless there is scope for improvement and I shall keep the House informed.

Aerospace Industry

Mr. Robert Atkins asked the Secretary of State for Trade and Industry what support he is giving to the British aerospace industry in foreign sales campaigns.

Mr. Butcher: A range of export related services are provided by the British Overseas Trade Board and the Export Credits Guarantee Department which are available to all private sector companies, including those in the aerospace sector. These services are extensively used by the industry in pursuing export opportunities for its products both within and outside the European Community.

EC (Japanese Investment)

Mr. Teddy Taylor asked the Secretary of State for Trade and Industry, pursuant to his reply of 4 April, *Official Report*, column 752, why he was unable to provide information on the percentage of Japanese direct investment in the European Economic Community which came to the United Kingdom in 1983; and if he will make a statement.

Mr. Norman Lamont: The figures given in the reply were drawn from overseas publications, namely the United States survey of current business and the Japanese *Balance of Payments Monthly*. These were the latest figures available to my Department.

Footwear Imports

Mr. Freeman asked the Secretary of State for Trade and Industry if he will make a statement on tariff negotiations with Spain and Portugal with reference to footwear products.

Mr. Channon: Portugal is a member of EFTA and so trade in most manufactured goods, including footwear, is duty free in both directions, and will remain so after Portugal joins the Community on 1 January 1986. Spain, however, imposes high import duties on EC manufactures (up to 20·8 per cent. on footwear) in contrast to the much lower EC duties on Spanish manufactures (4·8 per cent. on footwear). It has been agreed in the accession negotiations that import duties on industrial products (including footwear) traded in both directions will be eliminated over a seven year period following Spanish entry, with over half the cuts coming in the first three years. In addition, Spain has to introduce VAT by 1 January 1986, and this will eliminate as from accession existing Spanish tax discrimination against imports. The settlement will as a result open up the Spanish market to United Kingdom exporters, whereas the phased reduction of already low EC duties against Spain should have relatively little impact on Spanish penetration of the United Kingdom market.

COCOM (Export Control Order)

Mr. Batiste asked the Secretary of State for Trade and Industry if, in respect of the export control order he proposes to make to implement the new COCOM agreement, he will make it his policy *(a)* to provide for blanket exemptions for software exports wherever possible, and *(b)* to allow at least six weeks after publication for discussion and consultation with the industries affected.

Mr. Channon: Under the provisions of the new Export of Goods (Control) Order, all exports of embargoed software to the proscribed countries will be controlled according to the COCOM agreement. These controls will also apply to a few other destinations so as to minimise the risk of onward diversion to the proscribed countries. However, most software on the COCOM embargo list will be freely exportable to other countries under the provisions of an open general export licence which will be granted when the new order comes into operation: there will be no need for traders to obtain any individual licence for export of such software to such countries.

Only a few categories of embargoed software will require individual licensing for all destinations, for example, software specially written for computers manufactured in the proscribed areas, software for the design of very large scale integrated circuits and software with sensitive military purposes. Full details will be available when the new Export of Goods (Control) Order is published in mid-June.

Given the size and complexity of the new Order my right hon. Friend intends to allow a period of six weeks between publication and entry into force.

Market Research

Mr. Coombs asked the Secretary of State for Trade and Industry what use is made of market research by his Department; and if he will make a statement.

Mr. Butcher: The Department commissions market research from time to time on a range of issues, including both industrial and export marketing topics. The export marketing research scheme, which assists exporters in undertaking market research, is a service provided by the Department through the British Overseas Trade Board.

ASEAN (Trade Development)

Mr. Adley asked the Secretary of State for Trade and Industry what steps he is taking to improve trade with the countries in membership of the Association of South East Asian Nations; and if he will make a statement.

Mr. Channon: I will reply to my hon. Friend as soon as possible.

EC (Regional Development Programmes)

Mr. Ashley asked the Secretary of State for Trade and Industry whether his Department has a copy of the European Economic Community document the "Regional Development Programmes of the Second Generation for the Period 1981 to 1985" dated June 1984; and if he will publish in the *Official Report* table 1 in the document which gives the percentage of the populations of European Economic Community countries living in assisted areas.

Mr. Trippier: I can confirm that the Department of Trade and Industry has a copy of this document. The table to which the right hon. Member has referred is, however, misleading as it shows the position in 1983 and this is well out of date. With regard to the United Kingdom, for example, it shows that EC 'regional aids' are available for 30 per cent. of th population, whereas the current figure is 44·7 per cent.; and there have also been changes in the composition of the assisted areas of other member states.

EC (Assisted Areas)

Mr. Ashley asked the Secretary of State for Trade and Industry what was the value of European Economic Community grants to areas designated as assisted areas in Great Britain in 1984-85; and what was the value per head of the working population.

Mr. Trippier: European regional development fund grants allocated in 1984-85 to aided areas in Great Britain totalled over £425 million. The value per head of the working population in those areas was approximately £47.

Grants from the European social fund and the European agricultual guidance and guarantee fund are the responsibilities of my right hon. friend the Secretary of State for Employment and my right hon. Friend the Minister of Agriculture, Fisheries and Food respectively.

Mr. Ashley asked the Secretary of State for Trade and Industry whether it was the British Government or the Europan Economic Community which first suggested the figure of 35 per cent. for the maximum percentage of the British population to live in assisted areas.

Mr. Trippier: The percentage of the working population covered by assisted areas was only one aspect of various matters considered with the European Commission during the review of regional policy.

Mr. Ashley asked the Secretary of State for Trade and Industry if he will request the European Economic Community to agree that designated assisted areas should cover more than 35 per cent. of the working population of the United Kingdom

Mr. Trippier: The recent review of the Great Britain assisted areas took account of areas' relative needs for current and future employment opportunities. We have no plans for a further review of those areas.

Mr. Ashley asked the Secretary of State for Trade and Industry how many hours were spent in negotiation with the European Economic Community about the maximum proportion of the British working population to live in areas designated as assisted areas.

Mr. Trippier: There was no fixed target for the proportion of the working population included within the assisted areas. It would not be practicable to separate this aspect from the various matters considered with the European Commission, many of which would themselves have a bearing on the assisted areas coverage as finally decided.

Stoke-on-Trent (Assisted Area Status)

Mr. Ashley asked the Secretary of State for Trade and Industry what is the estimated cost of designating the Stoke-on-Trent travel-to-work area as an assisted area in total and per capita.

Mr. Trippier: It is not practicable to provide reliable estimates of this kind for individual travel-to-work areas.

Mr. Ashley asked the Secretary of State for Trade and Industry if he will now reconsider the application of Stoke-on-Trent for designation of the travel-to-work area as an assisted area.

Mr. Trippier: Decisions on the new assisted areas map were on the basis not only of the current need for further employment opportunities but also of areas' relative vulnerability to future job losses and their relative abilities to respond to an upturn in the economy. The new map is therefore expected to remain valid for some time, though I will naturally keep the situation under review.

Mr. Ashley asked the Secretary of State for Trade and Industry if he will hold further discussions with representatives of Stoke-on-Trent regarding their application for the travel-to-work area to be designated.

Mr. Trippier: My right hon. Friend has no plans to hold further discussions with the representatives of Stoke-on-Trent regarding their application for the travel-to-work area to be designated as an assisted area.

Machine Tools

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry what has been the net balance of trade value in machine tools between the United Kingdom and the following in each of the last three years for which figures are available; other member countries of the European Economic Community, Japan, the United States of America, all Commonwealth countries, and the Soviet Union.

Mr. Channon The information is as follows.

UK Crude Trade Balance in Metal Working Machine-Tools
Value £m

	1982	*1983*	*1984 (provisional)*
European Community	−65	−56	−80
Japan	−28	−29	−45
USA	+11	+11	+31
Commonwealth	+57	+34	+39
Soviet Union	+5	+11	+12

Source: Data corresponding to SITC/R2 Group 736, less sub-group 736·8 (part) in the UK Overseas Trade Statistics.
Note: Crude balance is calculated as UK exports (fob) less UK imports (cif).

English Tourist-Board

Mr. Speller asked the Secretary of State for Trade and Industry if he will revoke the present regulation requiring

hoteliers given an English tourist board grant to improve facilities having to pay up to 6 per cent. of the actual grant to an architect or surveyor to certify that work has actually been carried out.

Mr. Norman Lamont: The board is currently considering ways in which its payment procedures can be modified to reduce the documentation required for smaller grant claims where this is compatible with the board's responsibilities for the proper administration of public funds.

Equal Opportunities

Mr. Janner asked the Secretary of State for Trade and Industry what is the sex and ethnic origin of the officer designated by his Department as equal opportunities officer.

Mr. Butcher: The Department's equal opportunities officer is male and white.

Mr. Janner asked the Secretary of State for Trade and Industry whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Butcher: Yes, on the basis of the information now available. To ensure equality of opportunities as far as possible, we will be conducting ethnic surveys of all staff (under the Government's phased programme) to enable ethnic monitoring to be carried out, and the implementation of the programme of action on women in the Civil Service announced on 9 February 1984 is being carefully monitored.

British Telecom (Shares)

Mr. Gordon Brown asked the Secretary of State for Trade and Industry what information he has about the number of persons who bought shares in British Telecom who have now sold them.

Mr. Butcher: I will reply to the hon. Member as soon as possible.

Mr. Gould asked the Secretary of State for Trade and Industry (1) why some British Telecommunications shares applied for by British Telecommunications employees and pensioners were not allotted;

(2) whether employees and pensioners were given undertakings prior to the sale of British Telecommunications shares that they would be allocated all the shares for which they applied.

Mr. Butcher [*pursuant to the reply*, 25 April 1985, c. *523*]: The Government gave no undertaking that British Telecom employees and pensioners would be allocated all the shares for which they applied. The priority offer made to employees and pensioners was subject to the terms and conditions of the overall offer which included the normal discretion for the issuers to scale down any application. We decided that it would be inappropriate to allocate more than 20,000 shares to individual employees and pensioners against a background where members of the public were restricted to a maximum of 800 shares each.

Companies Act (Offences)

Mr. Trotter asked the Secretary of State for Trade and Industry whether he will provide statistics for the number of *(a)* prosecutions and *(b)* convictions on an annual basis for each category of offence under the Companies Act, specifying the nature of each category.

Mr. Fletcher: Statistics of prosecutions and convictions are published each year in the annual report on the Companies Acts 1948-83, copies of which are in the Library of the House.

Ivory

Mr. Tony Banks asked the Secretary of State for Trade and Industry what are the reasons for not keeping statistics on the import of raw ivory.

Mr. Channon: In order to be separately identified in the overseas trade statistics, the volume or value of trade in a commodity must be of sufficient size to warrant the cost of collection and publication of the information. This has not been the case with raw ivory.

THE ARTS

Local Government Reform

Mr. Tony Banks asked the Parliamentary Under-Secretary of State answering in respect of the Arts, pursuant to his reply of 23 January 1984, *Official Report*, column 419, if he is now in a position to make a statement on the future funding of the Riverside studios, in the event of the Greater London council being abolished.

Mr. Waldegrave: I shall let the hon. Member have a reply as soon as possible.

FOREIGN AND COMMONWEALTH AFFAIRS

Middle East

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs (1) what reports he has received from Her Majesty's ambassadors in Tunis or Algiers about the public statement on 7 April by the Revolutionary Council of Al-Fatah, as broadcast at 17.02 hours GMT on Voice of Palestine, Algiers, which called for an increase in violence against Israel and absolute rejection of any participation in an American peace initiative; and if he will assess the effect this policy statement will have on implementation of the Venice declaration, as endorsed by Her Majesty's Government;

(2) whether, during the Minister of State's recent visit to middle eastern states, he discussed with his hosts the statement by Yasir Arafat in Baghdad on 3 January, as broadcast in Voice of Palestine at 16.15 hours GMT, that emphasis must be placed on increasing armed struggle by all available means, and also by Khalid Al-Wazir on the same occasion that armed struggle would remain the first strategy of Palestinian action; and whether his hosts indicated any steps that they could take to achieve acceptance by Mr. Arafat and his supporters of resolution 242.

Mr. Luce: We have noted statements by some Palestinian spokesmen in favour of armed struggle, but also wide Palestinian support for the Jordanian-Palestinian

agreement of 11 February, with its commitment to peaceful negotiations. In our view, all parties to the Arab-Israel dispute should make constructive moves towards negotiations at which the voice of the Palestinians would be heard.

Philippines

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's current relations with the Philippines.

Mr. Luce: We enjoy good relations with the Philippines. The United Kingdom is, for example, the third largest investor in that country and British visible exports are currently worth £92 million a year. The United Kingdom is the fifth largest market for exports from the Philippines.

EUROPEAN COMMUNITY

Integration Policy

Mr. Proctor asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his recent meeting with Signor Spinelli concerning the draft treaty on European Economic Community integration and the response he gave to Sigor Spinelli on behalf of Her Majesty's Government.

Mr. Rifkind: My right hon. and learned Friend met a delegation from the European Parliament, including Signor Spinelli. He made clear that the best chance of making progress towards greater European unity lay in practical reforms which could be implemented without delay within the framework of the existing treaties.

Western European Union

Mr. Teddy Taylor asked the Secretary of State for Foreign and Commonwealth Affairs if the meeting of Foreign and Defence Ministers of the Western European Union planned to take place in Bonn on 22 and 23 April was held on these dates; and if he will make a statement on the current policy of Her Majesty's Government with regard to the objectives and role of that organisation.

Mr. Luce: Yes; the Bonn Ministerial meeting took place as planed. Copies of the communique are in the Library. We regard the Western European Union as a valuable forum for joint political debate between Foreign and Defence Ministers of member countries on defence and security matters of importance to Europe. We aim through WEU to strengthen European security co-operation, and the European contribution to the alliance.

Equal Opportunities

Mr. Janner asked the Secretary of State for Foreign and Commonwealth Affairs of what sex and ethnic origins are the officers designated by his Department as equal opportunities officers.

Mr. Renton: My equal opportunities officers are male and white. Their appointments were agreed with the respective trade union sides.

Mr. Janner asked the Secretary of State for Foreign and Commonwealth Affairs whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Renton: Yes. Although we are continuing to look for further improvements. To this end we shall be conducting ethnic surveys of all staff (under the Government's phased programme) to enable ethnic monitoring to be carried out and shall continue carefully to monitor the implementation of the programme of action on women in the Civil Service announced on 9 February 1985.

NORTHERN IRELAND

Strip Searches

Mr. Hume asked the Secretary of State for Northern Ireland (1) what were the total numbers of strip searches of women prisoners in Northern Ireland in each of the months of February and March;

(2) how many female inmates were subjected to strip searches during each of the months of February and March; and how many times each prisoner was searched.

Mr. Scott: I refer the hon. Gentleman to the replies given to the hon. Member for Kingston upon Hull, North (Mr. McNamara) on 19 March at column *434-36* and 19 April 1985 at column *282*.

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement on the practice of strip searching in Northern Ireland prisons in the first three months of 1985.

Mr. Scott: Strip searches are a necessary part of the maintenance of prison security. The procedures used in Northern Ireland are the same as those which have been used for many years in comparable prisons in Great Britain and elsewhere. The need for and frequency of searches are kept under close review and I am satisfied that the level in the first three months of 1985 was the necessary minimum.

Women Prisoners

Mr. Hume asked the Secretary of State for Northern Ireland (1) how many female prisoners were in Northern Ireland prisons in each of the months February and March;

(2) how many female remand prisoners were held in Northern Ireland prisons in each of the months of February and March; how many of these prisoners were subjected to strip searching in each month; and how many times each female remand prisoner was strip-searched.

Mr. Scott: The information requested is as follows:

	Remand	*Sentenced*	*Total Female Population*
February 1985	12	27	39
March 1985	12	31	43

The figures include those detained in the young offender's centre, in Her Majesty's prison, Armagh.

During February 1985, nine remand prisoners were strip-searched; six were searched twice and three were searched once. During March 1985, five remand prisoners were strip-searched; four were searched twice and one was searched once.

Departmental Achievements

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland if he will list his Department's principal achievements since 1979.

Mr. Hurd: The suppression of terrorism and public disorder in Northern Ireland remains one of the Government's principal objectives. We have made substantial progress in recent years in deterring violence and bringing criminals to justice. The overall level of violence in 1984 was less than in any year since 1970. In pursuit of this policy, the Government have provided for significant increases in the strength and resources of the Royal Ulster constablulary, the size of the regular force and its full time reserve increasing from approximately 7,300 in 1970 to 10,600 today.

The Northern Ireland Assembly established by the Northern Ireland Act 1982 and elected in October of that year has enabled the people of Northern Ireland through their elected representatives carefully to monitor the work of Northern Ireland Departments. It continues to provide a framework for the constitutional parties to divide arrangements for return of devolved powers which would command widespread acceptance throughout the community. The Government have also taken steps to minimise the scope for electoral malpractise, especially personation, in elections.

The Government continue to pursue a dialogue with the Republic of Ireland within the framework set out in the communique issued after the meeting in November between the Prime Minister and the Taoiseach.

The aim of the Government's economic strategy has been to encourage output and employment in a realistic and cost effective way. Invesment incentives remain among the best in Western Europe; since its inception in 1982 the Industrial Development Board has promoted 11,748 new jobs, and since 1979 the local enterprise development unit has trebled its support to small firms, promoting a record 4,000 jobs in 1984.

Although the economic climate remains difficult, restructuring continues and welcome developments include new contracts for Shorts and Harland and Wolff. A freeport has been established at Aldegrove airport, and enterprise zones have been created in Belfast and Londonderry as part of the continuing regeneration of those cities; special measures have been agreed by the European Community for urban renewal in Belfast. Significat improvements have been made in the housing stock, with 43,500 new houses started since 1979, nearly 200,000 grants paid for improvements and repairs, and 26,000 Housing Executives homes sold to tenants. A youth training programme was introduced a year ahead of the rest of the United Kindgom and is now providing training for some 11,000 young people.

Historic Buildings

Mr. Nicholson asked the Secretary of State for Northern Ireland how many properties have been listed by the Historic Buildings Department in each of the past six years.

Mr. Chris Patten: The number of buildings listed in each of the last 6 years is as follows:

Year	*Buildings*
1984-85	174
1983-84	168
1982-83	199
1981-82	936
1980-81	839
1079-80	768

Mr. Nicholson asked the Secretary of State for Northern Ireland whether the owners of properties which are proposed to be listed by the Historic buildings Department are informed of the department's proposal.

Mr. Chris Patten: No. Owners are informed at the conclusion of the listing process.

United States Government

Mr. Proctor asked the Secretary of State for Northern Ireland when he next plans to meet representatives of the United States Government to discuss matters relating to Northern Ireland.

Mr. Hurd: I meet representatives of the United States Government from time to time and I next expect to meet the US ambassador to this country in June.

NATIONAL FINANCE

Exchange Rates

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for each of the European monetary system currencies, the dollar, the yen and the European currency unit the highest and lowest rates of exchange against the pound sterling in the current year and in 1983, and 1984, respectively, together with the current rate.

Mr. Ian Stewart: Monthly highs and lows for the pound sterling can be derived from tables 13.1 and 13.3 in the March edition of the CSO publication *Financial Statistics*. Recent sterling exchanges rates are as follows:

Rates against sterling	*March 1985 (monthly averages)*	*24 April 1985 (closing rates)*
Deutschemark	3·7013	3·8198
French franc	11·31	11·66
Italian lira	2336·0	2437·2
Netherlands guilder	4·1836	4·3190
Danish krone	13·23	13·67
Belgian franc	74·39	76·95
Irish punt	1·1877	1·2192
US dollar	1·1226	1·2235
Japenese yen	289·75	307·28
European Currency Unit	1·6596	1·7094

Investigation of highs and lows using daily data could not be undertaken except at excessive cost.

Home Improvement (Tax Relief)

Mr. Hargreaves asked the Chancellor of the Exchequer what is the total estimated amount of tax relief granted in respect of loans for the improvement of a person's main residence for each of the last 10 years.

Mr. Moore [*pursuant to his reply*, 16 April 1985, c. *155*]: It is not possible to provide precise figures, but it is

estimated that between 5 and 10 per cent. of the total cost of mortgage interest relief is currently in respect of further loans for the improvement of a person's main residence.

Mortgage Interest Tax Relief

Mr. Craigen asked the Chancellor of the Exchequer if he will produce a table showing the annual total amount of mortgage interest tax relief for *(a)* Great Britain, *(b)* Scotland, *(c)* England and *(d)* Wales from 1982-83 to 1984-85 and also the average mortgage tax relief per mortgagor in: (i) Great Britain, (ii) Scotland, (iii) England and (iv) Wales for the same period.

Mr. Moore [*pursuant to his reply*, 19 April 1985, c. *298*]: The latest estimates are given in the table. Figures for 1983-84 and 1984-85 are provisional.

Mortgage Interest Tax Relief

	Total cost	*Per Mortgagor receiving tax relief*
	£ million	*£*
1982-83		
Great Britain	2,120	350
Scotland	140	380
England	1,900	350
Wales	80	290
Northern Ireland	30	310
United Kingdom	2,150	350
1983-84*		
Great Britain	2,715	400
Scotland	160	430
England	2,460	400
Wales	95	330
Northern Ireland	35	350
United Kingdom	2,750	400
1984-85*		
Great Britain	3,455	500
Scotland	200	550
England	3,130	500
Wales	125	425
Northern Ireland	45	440
United Kingdom	3,500	500

* Includes the cost of relief in respect of mortgages previously under the option mortgage scheme.

Mr. Craigen asked the Chancellor of the Exchequer if he will give the total annual cost of mortgage interest tax relief paid to mortgagors who are taxed above the standard rate for each financial year from 1982-83 to 1984-85 in Scotland.

Mr. Moore [*pursuant to his reply*, 19 April 1985, c. *298*]: The latest estimates are as follows, together with the costs of relief given in excess of the basic rate.

Mortgage interest tax relief in Scotland

	Relief for higher rate taxpayers *£ million*	*Relief in excess of the basic rate* *£ million*
1982-83	25	12
1983-84	25	12
1984-85	30	15

Working Wives

Mr. Ashley asked the Chancellor of the Exchequer how many working wives opt for separate income tax assessment; and what proportion this is of those eligible to do so.

Mr. Lawson [*pursuant to his reply*, 25 April 1985, c. *529*]: About 170,000 married couples are expected to elect for separate taxation of wife's earnings in 1985-86. Although this is only about 1½ per cent. of the total of taxpaying married couples, in 1985-86 an election can only be beneficial if the couple's income is over £25,360 (with the wife's earnings at least £6,956). About 20,000, less than one fifth of 1 per cent. of married couples, elect for separate assessment, but this does not affect the total tax liability of the couple.

Johnson Matthey Bankers

Mr. Blair asked the Chancellor of the Exchequer whether he has received a copy of the report commissioned by the Bank of England from Price, Waterhouse, into the dealings of Johnson Matthey Bankers prior to its collapse.

Mr. Ian Stewart: My right hon. Friend is aware of the Price, Waterhouse investigation and that an interim report has been made. He has asked that the committee which has been established to review banking supervisory arrangements in the light of the collapse of JMB should take full account of the results of the investigation.

Mr. Blair asked the Chancellor of the Exchequer whether the enquiries by the Bank of England into Johnson Matthey Bankers have revealed unsecured lending.

Mr. Ian Stewart: Yes. Unsecured lending is not in itself imprudent and is not uncommon.

Mr. Blair asked the Chancellor of the Exchequer whether the funds paid by the Bank of England in connection with the collapse of Johnson Matthey Bankers are shown in the Government's public spending figures.

Mr. Ian Stewart: No. The resources involved are those of the Bank of England's banking department which, in line with national accounts practice, is regarded as being in the monetary sector for accounting purposes.

Mr. Blair asked the Chancellor of the Exchequer when the banking supervision department of the Bank of England first learnt that Johnson Matthey Bankers was insolvent.

Mr. Ian Stewart: I understand that the Bank of England first learned of the seriousness of the difficulties which threatened JMB's insolvency shortly before the rescue operation was mounted.

Mr. Blair asked the Chancellor of the Exchequer what action the Bank of England took prior to the collapse of Johnson Matthey Bankers in pursuance of its duty to supervise the banking system.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

Mr. Blair asked the Chancellor of the Exchequer whether he was informed, prior to the takeover of Johnson Matthey Bankers by the Bank of England on 1 October 1984, that the bank intended to take such a course.

Mr. Ian Stewart: As my right hon. Friend said in his statement to the House on 17 December, he was notified shortly before the rescue was announced of the action the Governor intended to take.

Banking Supervision

Mr. Blair asked the Chancellor of the Exchequer when he expects his review of the arrangements for banking supervision to be complete.

Mr. Ian Stewart: I refer the hon. Member to the answer I gave on 25 April at column *974*.

DEFENCE

Royal Ordnance Factories

Mr. Pike asked the Secretary of State for Defence if he will make a statement concerning progress with privatisation of the royal ordnance factories.

Mr. Butler: It remains the Government's policy to achieve privatisation of Royal Ordnance plc as soon as commercially practicable. However, no decision has yet been taken on the precise method or timing of the injection of private capital, although our preferred option remains to float the company as a whole.

Single Sourced Defence Contracts

Mr. Arnold asked the Secretary of State for Defence, if he will break down the figures for single sourced defence contracts given in the answer to the hon. Member for Hyndburn (Mr. Hargreaves) of 31 October 1984, *Official Report*, column *1123*, to indicate how many of the contracts concerned were let on a cost-plus basis and how many on a semi-incentive basis; what was the total value of the contracts concerned in each case; and whether he now has equivalent figures for 1984-85.

Mr. Butler: The information requested is set out in the table, which for completeness includes contracts placed as a result of effective competition. Contracts placed non-competitively and which are subject to positive incentives to keep costs to a minimum, are shown at lines 2, 3 and 4. Contracts subject to pricing on the basis of cost plus percentage free profit are shown at line 5, and represent a declining proportion of the total. Equivalent figures are not yet available for 1984-85.

Numbers and values of headquarters contracts and amendments

Type of contract/amendment	*1981-82*		*1982-83*		*1983-84*	
	Number	*Value £ million*	*Number*	*Value £ million*	*Number*	*Value £ million*
1. Contracts priced by Competition	9,059	1,065	9,402	1,439	9,504	1,890
2. Contracts priced otherwise by reference to market forces (See note below)	36,462	639	55,326	1,065	53,051	1,403
3. Contracts priced on estimates at outset or as soon as possible thereafter	11,382	1,839	11,409	3,049	10,239	3,145
4. Contracts priced on actual costs with incentives to minimise costs	504	76	695	145	746	859
5. Contracts priced on actual costs plus a percentage fee	8,770	987	8,884	1,132	8,554	1,283
6. Total contracts and amendments placed	66,177	4,606	85,716	6,830	82,094	8,580

Note: Line 2 includes some contracts placed using informal competitive tendering procedures.

AST 403

Mr. Warren asked the Secretary of State for Defence what are the reasons for the delay in funding AST 403 since its publication in 1979, and if he will make a statement.

Mr. Butler: AST 403 (first revise) was cancelled last year. However, my right hon. Friend the Secretary of State will be meeting his fellow Defence Ministers in Rome next month to review the results of a feasibility study by industry of the viability of a collaborative programme for a European figher aircraft programme, and to consider the way ahead.

Management Consultants

Mr. Mates asked the Secretary of State for Defence if he will list the contracts, with the subject of assignment, awarded to management consultancy firms by his Department in 1984, with the name of the consultants concerned.

Mr. Butler: The Ministry of Defence awarded 19 contracts to management consultancy firms during 1984. The list is as follows:

Name of Firm and Assignment

Theta Analysis & Systems Ltd.
Review of Management Functions within Directorate of Projects (Fighting Vehicles and Engineer Equipment) 2 — Phase 2

Cranfield Education Technology Unit
Study of Computer Based Training for the Royal Navy.

Leslie Hays & Associates Ltd.
Review of Director General Stores and Transport (Navy) operating accounts.

PA Computers and Telecommunications Ltd (PACTEL)
Handover of work from PACTEL to MOD Staf for the implementation of the Study into Defence Fixed Telecommunications.

OD (Management Consultancy) Ltd
Feasibility Study into Contractorising Administrative functions at the Central Ordnance Depot, Bicester.

Coopers & Lybrand Associates
Survey of the Director General Defence Accounts Organisation.

Ken Snooks International
Management Audit of Director General of Defence Contracts assistance with the investigation into Purchasing.

Arthur Young McClelland Moore & Co.
Management Audit of Director General of Defence Contracts assistance with the Accountancy Services phase.

Peat, Marwick, Mitchell & Co.
Management Audit of Director General of Defence Contracts assistance with the Technical costs phase.

Healey & Baker
Survey of Defence Lands.

Touche Ross & Co.
Definitive Study of the Maintenance and Repair Systems of Aircraft Engines and Components at the Royal Naval Aircraft Yard Fleetlands.

Atkins Planning
Planning into feasibility of Contractorising the Engineering Depot Long Marston.

Leslie Hayes & Associates Ltd
Assistance with the Management Audit of the Directorate of Marine Services (Naval).

HAY MSL
Assistance with a Manpower Control Study.

New Business Developments
Selection and Development of Dockyard Managers.

Linklater & Paines
Study of MOD Legal Services.

HAY MSL
Communications Strategy for Chief Executive Royal Dockyards.

HAY MSL
Communications Assistance Consultancy—Chief Executive Royal Dockyards.

Arren Management Services
Consultancy Assistance on Industrial Relations for Chief Executive Royal Dockyards.

Ships (Adoption)

Mr. Freeman asked the Secretary of State for Defence if he will state the total number of programmes in existence for the adoption of a Royal Navy ship by a town or local authority.

Mr. Lee: There is a fleet programme to encourage the affiliation of every commissioned vessel in the Royal Navy with a community or district.

Non-British Citizens

Mr. Yeo asked the Secretary of State for Defence how many non-British citizens are employed in the services or in his Department.

Mr. Lee: This information is not held centrally, and could only be provided at disproportionate cost and effort.

Contracts

Mr. Nicholas Winterton asked the Secretary of State for Defence what information he has concerning the number and total value of defence contracts which are allocated largely on the basis of the hourly rate of contractors.

Mr. Butler: This information could not be provided without disproportionate time and effort.

Mr. Nicholas Winterton asked the Secretary of State for Defence what steps are taken by his Department to verify the number of hours spent by contractors on work allocated solely or largely on the basis of the hourly rate of the contractor or contractors.

Mr. Butler: Verification of the hours spent is normally undertaken by the appropriate Ministry technical authority in conjunction with the relevant contracts branch.

Mr. Nicholas Winterton asked the Secretary of State for Defence what is his policy on the allocation of defence contracts to suppliers based solely, or largely, upon the hourly rate of the contractor or contractors.

Mr. Butler: The practice of pricing on an all-up hourly rate covering both labour and other expenses is not a practice applied extensively in MoD contracting. It is normally adopted only for contracts covering primarily the provision of manpower effort. Many of these contracts are of relatively low value. The work could, for example, involve research, minor development work, repairs and servicing, and ADP effort. Hourly rates are usually agreed in advance, where possible, following competitive tendering.

Equal Opportunities

Mr. Janner asked the Secretary of State for Defence whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsibility for giving such advice.

Mr. Butler: Yes, on the basis of the information now available. The implementation of the programme of action on women in the Civil Service, announced on 9 February 1984, is being carefully monitored within my Department. As part of the process of ensuring equality of opportunity, as far as possible, we will be conducting ethnic surveys of all staff (under the Government's phased programme) to enable ethnic monitoring to be carried out.

The Departmental equal opportunities officer has issued a number of instructions to all staff. They have set the Civil Service policy on equal opportunities for men and women, guidance on the procedures to be followed in cases of sexual harassment, the responsibilities of equal opportunities officers and the Civil Service race relations policy statement. In addition, the equal opportunities officer has circulated the report on race relations policies and procedures in the Civil Service to our civilian personnel management authorities drawing attention to the need to ensure that Departmental practice follows the recommendations of the report.

Falkland Islands (Airlink)

Mr. Dalyell asked the Secretary of State for Defence how much the new direct airlink to the Falklands will save public funds.

Mr. Stanley: I refer the hon. Member to the reply I gave to the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) on 22 April at column *386*.

Written Answers to Questions

Tuesday 30 April 1985

ATTORNEY-GENERAL

"MI5's Official Secrets"

Mr. Douglas Hogg asked the Attorney-General whether he has received the report of the investigation into the allegations of criminal offences that were made in the television film, "MI5's Official Secrets"; and if he will make a statement.

The Attorney-General: The investigation by the Metropolitan police, about which I informed the House when answering questions on 18 March, has now been completed and its results have been reported to me by the Director of Public Prosecutions. None of the persons who made, or were said by others to have made, allegations of criminal conduct has been prepared to substantiate those allegations by coming forward with evidence which would justify the institution of proceedings. With my authority, the Director of Public Prosecutions will therefore take no further action in this matter.

Juvenile Courts

Mrs. Renée Short asked the Attorney-General what has been the outcome of discussions with the Magistrates Association, the Justices Clerks Society and others on less formal arrangements for juvenile court proceedings, referred to in the Government's reply to the second report of the Social Services Committee, Session 1983-84, Cmnd. 9298.

Mr. Mellor: I have been asked to reply.

These discussions have not yet taken place, and may be affected by the consideration which the review of child care law is giving to the style of care proceedings. But the Department will be in touch with the bodies concerned in due course.

AGRICULTURE, FISHERIES AND FOOD

Herons

Mr. Kilroy-Silk asked the Minister of Agriculture, Fisheries and Food how many applications to kill herons were made in each year since 1983 and to date n 1985; how many were issued; how many herons were permitted to be killed; how many were actually killed; from whom the licences were received; for what reasons they were applied for and granted; what was the location of each killing ground; what deterrent measures had first been tried; and whether the advice of the Nature Conservancy Council was obtained.

Mrs. Fenner: Details of applications for and licences issued by my Department in 1983, 1984 and 1985 to kill or take herons are set out in the table.

Wildlife and Countryside Act 1981 Licences issued by MAFF in England to kill or take herons

	1983	*1984*	*1985*
Number of applications	6	4	2
Number of licences issued	2	1	—
Number of herons permitted to be killed	10	6	—
Number of herons actually killed	2	4	—

(a) Applications were received from fish farms, put-and-take fisheries, and an aquatic nurseryman.

(b) The reasons for applications and licences were to prevent serious damage to fisheries.

(c) The locations of licences were

1983: (i) Padworth, Berkshire
(ii) Littleton, Somerton, Somerset

1984: Padworth, Berkshire

(d) Deterrent measures included shooting to scare, erection of barriers, screens, cages and nets.

(e) NCC was consulted in all cases where licences were issued.

Fruit and Vegetables

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for each of the past five years the basic and buying-in prices for certain fruit and vegetables under the common organisation of the market for fruit and vegetables, the cost to the EEC budget and the quantities removed from the market for distillation, destruction or otherwise.

Mr. MacGregor: The latest information available is as follows:

EC basic and buying-in prices for fruit and vegetables 1980-85
ecu/100 kg

Commodity	*Basic price*	*Buying-in price*
Cauliflowers		
1980-81	13·49	5·81
1981-82	15·24	6·57
1982-83	17·36	7·49
1983-84	18·64	8·05
1984-85	19·07	8·23
Tomatoes		
1980-81	17·30	7·27
1981-82	19·02	7·99
1982-83	21·11	8·87
1983-84	21·99	9·24
1984-85	21·73	9·13
Peaches		
1980-81	34·42	21·24
1981-82	38·27	23·61
1982-83	42·93	26·48
1983-84	45·76	28·22
1984-85	45·99	28·37
Lemons		
1980-81	27·76	16·90
1981-82	31·20	19·01
1982-83	35·37	21·57
1983-84	37·90	32·12
1984-85	38·11	23·25
Pears		
1980-81	19·43	10·49
1981-82	21·75	11·71
1982-83	24·56	13·19
1983-84	25·48	13·67
1984-85	25·62	13·74
Table Grapes		
1980-81	23·74	14·45

Commodity	Basic price	Buying-in price
1981-82	26·49	16·17
1982-83	29·83	18·25
1983-84	31·84	19·51
1984-85	32·51	19·92
Apples		
1980-81	20·42	10·40
1981-82	22·54	11·48
1982-83	25·36	12·92
1983-84	26·36	13·43
1984-85	26·51	13·51
Mandarins		
1980-81	33·42	21·93
1981-82	37·27	24·44
1982-83	41·55	27·22
1983-84	43·92	28·77
1984-85	44·15	28·92
Sweet Oranges		
1980-81	28·59	19·16
1981-82	31·98	21·36
1982-83	36·08	24·03
1983-84	38·57	25·65
1984-85	38·78	25·78
Aubergines		
1982-83	16·03	6·42
1983-84	17·07	6·84
1984-85	17·41	6·98
Apricots		
1982-83	42·31	25·39
1983-84	45·06	27·04
1984-85	44·61	26·77

Note: Basic and buying-in prices vary seasonally and in some cases vary according to variety, size and other factors. The figures given are the lowest seasonal price for the standard presentation.
Basic and buying-in prices did not apply to aubergines and apricots before 1982-83.

EC withdrawals of horticultural produce 1980-81 to 1983-84
Thousand tonnes

	1980-81	1981-82	1982-83	1983-84
Total amounts withdrawn	1,007	812	1,874	2,052
Free distribution in fresh or processed form to charitable organisations etc.	45	51	84	n/a
Used for animal feed	349	158	474	n/a
Used for distillation	308	125	709	n/a
Assumed to be spoilt or wasted	305	478	607	n/a
Value of compensation paid by FEOGA (thousand ecus)	111	139	265	446

n/a=Not available. No information for 1984-85 is yet available.
Source: EC Commission.

Farm Holdings (Payments)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the estimated amount received under the appropriate headings of parts I, II, IV and V of table 28 of the annual review White Paper (Cmnd. 9423) in the case of farm holdings with more than 100 dairy cows, 50 beef cows, 1,000 pigs and 1,000 sheep.

Mr. MacGregor: Information is not available in the form requested.

Common Agricultural Policy

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food if he will bring up to date the information given in the reply of 26 February, *Official Report*, columns 91-93, concerning prices and levies; and what further changes he envisages as a result of more recent movements in the exchange rate.

Mr. MacGregor: The information requested is set out in the tables. The "world prices" shown in table 1 are generally the lowest offer prices at the Community frontier underlying the Commission's calculation of the variable import levies. I remind the hon. Member that these are the lowest prices recorded and it is highly likely that on average higher prices would have to be paid if larger quantities were to be purchased on world markets. The "world prices" shown do not necessarily relate to the same quality or presentation of product for which United Kingdom market prices are set out in table 2.

The levies and notional world prices shown reflect the £-ecu exchange rate used to calculate monetary compensatory amounts (MCA) for the week commencing 22 April. Any subsequent movement in this exchange rate would, other things being equal, have a direct effect on the notional world price shown and, for products to which the MCA system applies, cause a broadly equal but opposite change in the levy applicable in the United Kingdom. The effect of the MCA system is to insulate United Kingdom market prices from movements in the market exchange rate of the pound.

TABLE 1
Levy Applicable in the United Kingdom and Notional "World" Price on 24 April 1985 for the Main Traded Agricultural Commodities*

	Levy† Applicable in United Kingdom (£/tonne)	Notional "world" price (£/tonne)
Common wheat	59	109
Barley	58	96
Maize	51	104
Rice	356	148
Sugar	‡298	111
Olive oil	402	836
Butter	‖1,437	768
Skimmed milk powder	678	469
Beef and veal	¶1,446	935
Pigmeat	249	930
Sheepmeat	• —	1,739
Poultrymeat	138	722
Eggs	151	626

Note:
* "world" prices have been calculated by subtracting the levy applicable on 24 April from the threshold/guide price. The beef price is also adjusted for duty. In the case of pigmeat, poultrymeat and eggs, the "world" price has been taken as the sluicegate price, less supplementary levy where appropriate. The resulting estimate has been converted from ECU/t at the appropriate market rate of exchange £0·606046 = 1ECU;
† the rates of levy vary for different tariff headings. The rates quoted are beef and veal—carcase; pigmeat—carcase; poultrymeat—70 per cent. chickens; rice—wholly milled long grain; virgin olive oil (1,507 Ala) eggs in shell including supplementary levy. Levies are shown after deduction of the monetary compensatory amount where applicable;
‡ in practice the United Kingdom's imports from third countries are normally covered by the Lomé convention and enter the Community levy-free;
‖ a special lower rate of levy is applicable to imports of butter from New Zealand;
¶ most imports of beef from third countries are subject to special arrangements allowing entry at reduced levy rates;
• imports of lamb under voluntary restraint arrangements with principal

suppliers and related agreements are subject to a reduced charge of 10 per cent. ad valorem. Any imports outside these arrangements are subject to levies which cannot exceed the 20 per cent. tariff bound in the GATT.

Table 2
Selected Average Market/Wholesale Prices United Kingdom: Week ending 20 April 1985

	£/tonne
Common wheat (grower to merchant price England and Wales)	*117
Barley (grower to merchant price England and Wales)	*110
Maize (USA ex port Bristol)	†164
Rice (US long grain—London)	615
Sugar (refined bulk granulated)	419
Olive oil (EC origin, cif UK)	1,847
Butter (English, wholesale, London)	2,270
Skimmed milk powder (list price)	1,050
Fat cattle, certified, UK (liveweight)	945
Fat sheep, certified, GB (estimated dressed carcase weight)	2,438
Fat pigs (all pigs, deadweight)	1,021
Poultrymeat (broilers, liveweight)	573
Eggs (size 3, packer to producer price)	589

Note: A wide range of price quotations exists for individual commodities depending on quality, presentation, stage of marketing and so on. Those shown are intended to be illustrative of prices paid by wholesalers or received by producers.

* Relates to week ended 13 April.

† Relates to week ended 17 April.

Farmed Deer

Mr. Cartwright asked the Minister of Agriculture, Fisheries and Food when he expects to respond to the recommendations in the report of the Farm Animal Welfare Council on the welfare of farmed deer.

Mrs. Fenner: We shall respond with our proposals once full consideration has been given to the results of our current consultations with interested parties.

Captive Bolt Pistols

Mr. Greg Knight asked the Minister of Agriculture, Fisheries and Food if he will improve the accuracy of captive bolt pistols by requiring cattle stunning boxes to contain head restraining devices.

Mrs. Fenner: A requirement for all cattle stunning boxes to contain head restraining devices is one of the recommendations made by the Farm Animal Welfare Council in its report on the welfare of livestock (red meat animals) at the time of slaughter. The Government are considering the council's recommendations.

Green Top Milk

Mr. Nicholas Winterton asked the Minister of Agriculture, Fisheries and Food (1) whether he has any plans to phase out or further reduce the production levels of green top milk;

(2) why licences for the production and sale of green top milk have been reduced in duration.

Mr. MacGregor: Regulations amending the Milk (Special Designation) Regulations 1977 were laid down before Parliament on 9 April. Their purpose is to prohibit the sale of untreated milk through shops, schools, hotels and other catering establishments in England and Wales with effect from 1 November 1985. This policy was announced by my predecessor in 1980, but could not be implemented until now because of the 5 year validity of untreated milk licences.

I have no plans at present to introduce further restrictions, but policy on untreated milk will be kept under review taking account of public health considerations, of the need to preserve consumer choice and of the interests of producers. It is clearly desirable that if changes are considered necessary on health grounds they should be introduced rather more quickly than was possible in 1980: on the other hand, I recognise that producers and distributors need to be able to plan ahead. The fact that untreated milk licences to be issued from 1 November 1985 will be valid for three years rather than for five is intended to strike a reasonable balance between these two considerations.

Milk Quotas

Mr. Nicholas Winterton asked the Minister of Agriculture, Fisheries and Food what recent estimate he has made of the implications for agricultural employment of the introduction of milk production quotas.

Mr. MacGregor: In so far as can be ascertained, the direct effects of the introduction of milk quotas on agricultural employment have been small.

Pigmeat Storage

Mr. Harris asked the Minister of Agriculture, Fisheries and Food whether a European Community scheme of aids to encourage the private storage of pigmeat will be introduced in the current year.

Mr. MacGregor: I am glad to say that the management committee has decided to introduce such a scheme as from 6 May. The scheme will give traders the option of receiving assistance for storing pigmeat at a time when this may be preferred to putting the rest onto the market.

British traders have made greater use of these aids in recent years and I hope they will again take full advantage of this year's scheme.

WALES

Private Cars and Telephones

Mr. Barry Jones asked the Secretary of State for Wales what proportion of Welsh people have *(a)* a private car and *(b)* a telephone; and what were the relevant figures for (i) 1961, (ii) 1971 and (iii) 1980.

Mr. Wyn Roberts: Information on the number of persons in households with access to one or more cars or vans has been collected in the Censuses of Population held in 1966 (10 per cent. sample), 1971 and 1981. In 1966 the figure was 52 per cent. rising to 60 per cent. and 70 per cent. in 1971 and 1981 respectively. No comparable information is available for 1961. Information on the availability of telephones is not collected at a personal level, but in 1983 it is estimated that 74 per cent. of households in Wales had a telephone in their accommodation. This estimate is based on information collected from time to time in the General Household Survey and the comparable figures for 1980 and 1972 were 67 per cent. and 24 per cent. respectively.

Road Schemes

Mr. D. E. Thomas asked the Secretary of State for Wales how many road schemes in Wales in each year since 1979 have been designed on behalf of his Department by local authorities' highways departments, acting as agents.

Mr. John Stradling Thomas: For all such schemes, irrespective of cost, the information is as follows:

	Number
1979	58
1980	50
1981	102
1982	69
1983	38
1984	70

Consultants

Mr. D. E. Thomas asked the Secretary of State for Wales in how many instances since 1979 he has appointed outside consultants to undertake work within his Department; and if he will specify which consultants, their remuneration and in respect of which sections of his Department their work was commissioned.

Mr. Nicholas Edwards: Information relating to the appointment, by my Department, of outside consultants prior to the financial year 1984-85 is not readily available and to provide it would involve disproportionate costs.

In the financial year 1984-85, outside consultants were appointed by my Department in four instances to undertake specialised one-off tasks. The following are details of the consultants concerned, their remuneration and the sections of the Department in respect of which the work was commissioned.

Consultant	*Remuneration £*	*Section of Department*
Spencer Stuart Management Consultants	13,800	CADW
PA Consulting Services Ltd.	18,059	Health Group
Deloitte Haskins and Sells	24,940	Industry Department
Price Waterhouse Associates	36,855	Transport and Highways Division

In addition, firms of consulting engineers are engaged on various trunk road schemes.

A470 (Improvements)

Mr. D. E. Thomas asked the Secretary of State for Wales what plans he has to monitor future road improvements on the A470 between Blaenau Ffestiniog and Betws-y-Coed; and if he will make a statement.

Mr. John Stradling Thomas: As already announced, consultants are to be appointed to examine the road between Blaenau Ffestiniog and Betws-y-Coed with a view to developing a suitable policy governing any future road improvements on this stretch of the A470.

Chest Specialists

Mr. Barry Jones asked the Secretary of State for Wales how many chest specialists or consultants there were per head of population in *(a)* Wales and *(b)* England in (i) 1971, (ii) 1979 and (iii) 1984.

Mr. Wyn Roberts: The information requested for Wales is as follows:

	Number of consultants in thoracic medicine	*Rate per million population*
1971	14·9	5·5
1979	18·1	6·5
1984	6·1	2·2

Details for England are a matter for my right hon. Friend the Secretary of State for Social Services.

HOME DEPARTMENT

Community Radio

Mr. Ron Brown asked the Secretary of State for the Home Department what recent representations he has received in support of community radio stations in Scotland; and if he will make a statement.

Mr. Giles Shaw: Since the reply given to a question from my hon. Friend the Member for Kingswood (Mr. Hayward) on 23 January, at columns 417-8, we have received about a dozen letters on community radio in Scotland, together with a number of telephone inquiries. Most of the approaches have been from persons wishing to set up community radio stations. My right hon. and learned Friend hopes to make a statement before long on how we propose to take forward the development of community radio.

Police (Dismissals)

Mr. Ron Brown asked the Secretary of State for the Home Department how many police officers were dismissed for misconduct during 1980, 1981, 1982, 1983 and 1984, respectively; and if he will make a statement.

Mr. Giles Shaw: The number of police officers in England and Wales required to resign or dismissed for offences under the police discipline code, and not reinstated on appeal, are as follows:

	Required to resign	*Dismissed*	*Required to resign or dismissed for criminal conduct*†*
1980	41	14	73
1981	30	32	63
1982	62	19	58
1983	49	31	61
1984	38	20	57

* The records provided by forces (other than the Metropolitan police) do not differentiate between the punishments for this offence.

† These figures may include some officers required to resign or dismissed for other disciplinary offences as well as criminal conduct.

Electoral Reform

Mr. Adley asked the Secretary of State for the Home Department what assessment he has made of the additional number of people who will be enfranchised to vote at the next general election in accordance with the provisions of the Representation of the People Bill's proposals for holidaymakers; and when he expects to lay the relevant statutory instrument.

Mr. Mellor: The number will depend on when the election is called, but the Government's White Paper on the "Representation of the People Acts" (Cmnd. 9140, paragraph 3.7) pointed out that well over a million people may be away on holiday on any particular day of May or

June. It is our intention to bring the new arrangements for holidaymakers and others to vote by post or proxy into operation by February 1987.

Benzodiazepine Drugs

Mr. Wareing asked the Secretary of State for the Home Department if he will publish the response of the Advisory Council on the Misuse of Drugs regarding the scheduling of benzodiazepine drugs under the United Nations convention on psychotropic substances 1971.

Mr. Mellor: We are awaiting a recommendation from the Advisory Council on the Misuse of Drugs on the scheduling of benzodiazepines under the Misuse of Drugs Act 1971. Its recommendations on this matter will be made known in due course.

Mr. Wareing asked the Secretary of State for the Home Department what organisations have been consulted by his Department regarding the possible rescheduling of benzodiazepine drugs under the United Nations convention on psychotropic substances 1971.

Mr. Mellor: We have to date consulted the following trade and professional organisations on the changes which we think are necessary to the misuse of drugs legislation to enable us to comply with the requirements of the United Nations Convention on Psychotropic Substances 1971:

The Pharmaceutical Society of Great Britain
The National Pharmaceutical Association
Association of British Pharmaceutical Industry
National Association fo Pharmaceutical Distributors
Proprietary Association of Great Britain
Pharmaceutical Services Negotiating Committee
Company Chemists' Association Ltd
Royal College of Physicians
Royal College of Surgeons of England
Royal College of General Practitioners
Royal College of Psychiatrists
Royal College of Veterinary Surgeons
Royal College of Nursing of the United Kingdom
Royal College of Midwives
Royal College of Obstetricians and Gynaecologists
Joint Consultants Committee
General Medical Services Committee
Community Medicine Consultative Committee
General Medical Council
General Dental Council
British Medical Association
British Dental Association
British Veterinary Association
General Nursing Council for England and Wales
Association of Nurse Administrators
Faculty of Anaesthetists of the Royal College of Surgeons of England
Guild of Hospital Pharmacists
National Association of Health Administrators
National Association of Health Authorities for England and Wales
Society of Family Practitoner Committees
Society of Administrators of Family Practitioner Services
British Chemical Distributors and Traders Association
British Distributors of Animal Medicines
Pharmaceutical General Council (Scotland)
Royal College of Midwives (Scottish Board)
Royal College of Nursing (Scottish Board)
Royal College of Physicians and Surgeons (Glasgow)
Royal College of Physicians of Edinburgh
Royal College of General Practitioners (Edinburgh)
Royal College of Surgeons of Edinburgh
Scottish Association of Nurse Administrators
National Board for Nursing, Midwifery and Health Visiting for Scotland
Scottish General Medical Services Committee
Scottish Joint Consultants' Committee
Association of Scottish Local Health Councils
Scottish Health Visitors Association
Welsh Medical Committee
Welsh Nursing and Midwifery Committee
Welsh Pharmaceutical Committee
North of Ireland Veterinary Association
Pharmaceutical Society of Northern Ireland
Pharmaceutical Contractors' Committee (Northern Ireland)

Deportation

Mr. Soley asked the Secretary of State for the Home Department whether he will provide a table indicating the total number of people served with notice of intention to deport during 1984 and 1983 by nationality and category.

Mr. Waddington [*pursuant to his reply*, 25 February 1985, c. *26*]: The details are as follows:

Notices of intention to deport served, by nationality and category 1984

Number of persons

	*Category**			
Nationality	*S.3(5)(a)*	*S.3(5)(b)*	*S.3(5)(c)*	*Total*
Commonwealth				
Antigua	1	—	—	1
Australia	13	2	—	15
Bahamas	—	1	—	1
Bangladesh	27	—	—	27
Barbados	2	—	—	2
Botswana	1	—	—	1
Canada	8	—	—	8
Cyprus	68	1	—	69
Dominica	1	—	—	1
Fiji	1	—	—	1
Gambia	1	—	—	1
Ghana	343	11	1	355
Grenada	5	—	—	5
Guyana	22	1	—	23
Hong Kong (BDTC)	57	1	—	58
India	136	8	1	145
Jamaica	24	8	—	32
Kenya	16	—	—	16
Malaysia	48	2	—	50
Malta	6	—	—	6
Mauritius	28	1	—	29
Montserrat (BDTC)	2	—	—	2
New Zealand	3	—	—	3
Nigeria	342	15	—	357
Seychelles	3	—	—	3
Sierra Leone	25	—	—	25
Singapore	8	—	—	8
Sri Lanka	78	—	1	79
St. Christopher and Nevis	1	—	—	1
St. Lucia	2	1	—	3
Tanzania	16	—	—	16
Trinidad and Tobago	2	1	—	3
Uganda	10	—	—	10
Zambia	2	—	—	2
Zimbabwe	41	—	—	41
Commonwealth Total	1,343	53	3	1,399
Foreign				
Afghanistan	1	—	—	1
Algeria	27	3	—	30
Argentina	4	—	—	4
Austria	3	—	—	3
Bahrain	3	—	—	3
Belgium	—	1	—	1
Bolivia	1	—	—	1
Brazil	8	—	—	8
Burma	5	—	—	5
Cameroons	7	—	—	7
Chile	4	—	—	4
China	3	—	—	3

Nationality	Category* S.3(5)(a)	S.3(5)(b)	S.3(5)(c)	Total
Colombia	36	1	—	37
Denmark	1	2	—	3
Ecuador	1	—	—	1
Egypt	71	1	—	72
Ethiopia	2	—	—	2
Finland	2	1	—	3
France	2	3	—	5
Germany (FRG)	1	1	—	2
Greece	13	3	—	16
Guatemala	1	—	—	1
Haiti	1	—	—	1
Hungary	1	—	—	1
Indonesia	5	—	—	5
Iran	133	4	—	137
Iraq	33	—	—	33
Ireland	—	10	—	10
Israel	15	4	—	19
Italy	—	4	—	4
Ivory Coast	3	—	—	3
Japan	5	—	—	5
Jordan	4	1	—	5
South Korea	3	—	—	3
Kuwait	1	—	—	1
Lebanon	13	1	—	14
Liberia	1	—	—	1
Libya	45	15	—	60
Mexico	6	—	—	6
Morocco	32	—	—	32
Mozambique	4	—	—	4
Netherlands	—	5	—	5
Niger	1	—	—	1
Pakistan	133	21	2	156
Peru	2	—	—	2
Philippines	25	—	—	25
Poland	1	—	—	1
Portugal	13	1	—	14
Qatar	1	—	—	1
Saudi Arabia	8	—	—	8
Senegal	1	—	—	1
Somalia	4	1	—	5
South Africa	5	1	—	6
Spain	35	—	—	35
Sudan	18	1	—	19
Surinam	1	—	—	1
Sweden	1	—	—	1
Switzerland	1	1	—	2
Syria	6	—	—	6
Thailand	19	—	—	19
Togo	1	—	—	1
Tunisia	7	—	—	7
Turkey	90	3	—	93
United Arab Emirates	3	—	—	3
United States of America	33	2	—	35
Uruguay	1	—	—	1
Venezuela	2	—	—	2
South Yemen	8	—	—	8
Yugoslavia	6	—	—	6
Zaire	2	—	—	2
Stateless	6	—	—	6
Foreign Total	936	91	2	1,029
All Nationalities	2,277	144	5	2,426

* Section of the Immigration Act.

PRIME MINISTER

Far East (Visit)

Q26. **Sir David Price** asked the Prime Minister what reactions she has received from British industry and commerce to her visit to the far east; and what prospects for improved export performances to the countries visited she now expects.

The Prime Minister: Reaction to my visit has been very positive. United Kingdom companies active in these markets have reported an improvement in the general climate for doing business. I am confident that there is now a much greater awareness—at the highest level—of the capabilities of British industry. The success of my visit has made a significant contribution towards the improvement of bilateral relations, which will undoubtedly benefit our companies.

Q66. **Mr. Dalyell** asked the Prime Minister why her press secretary, Mr. Bernard Ingham, accompanied her on her recent official visit to the far east; and in how many previous such visits he has taken part.

The Prime Minister: To advise me on, and handle, my relations with the media and to brief journalists as required by the duties of his office. He has accompanied me on all bar one of my visits overseas since he took up his post on 1 November 1979.

Nuclear Weapons

Q40. **Mr. Latham** asked the Prime Minister whether she will make a statement on the latest information given to her by the United States administration regarding the progress of the negotiations with the Soviet Union regarding nuclear weapons in Geneva.

The Prime Minister: The three chief American negotiators at the Geneva talks led by Mr. Kampelman, briefed the North Atlantic Council on 24 April on the state of negotiations at the end of the first round which adjourned the previous day. Close consultations continue to take place in NATO bodies and elsewhere including the Bonn summit on 2 to 4 May.

British Council

Q84. **Mrs. Renée Short** asked the Prime Minister on what criteria the decision was taken to reduce the level of provision for the British Council's overseas activities.

The Prime Minister: The council's overall provision has not been reduced. On the contrary, it will be receiving nearly £6 million more in 1985-86 than the sum originally established for that year. Within this total, however, the British Council has been asked to absorb in 1985-86 about £1·1 million of its risen costs as a contribution towards the overall need to keep the Government's spending within the resources available. The decision on where these savings should fall was for the British Council's board.

Security Services

Mr. Cohen asked the Prime Minister how Ministers in her Administration with responsibilities for satisfying themselves that the security services operate entirely within the letter and spirit of their directive discharge their duties in this respect; and if she will make a statement.

The Prime Minister: I have nothing to add to the full explanation of the arrangements for ministerial oversight of the work of the security service which my hon. and learned Friend the Minister of State, Home Office, gave the House on 4 April at columns 1380-84.

Mr. Cohen asked the Prime Minister if Her Majesty's Government have been satisfied that the security forces have operated entirely within the letter and spirit of their directive at all times since May 1979; and if she will make a statement.

The Prime Minister: I have nothing to add to what my right hon. and learned Friend the Home Secretary said on Second Reading of the Interception of Communications Bill on 12 March at columns 152-56, about the propriety with which the security service carries out its tasks under its directive.

Departmental Salaries

Mr. Ralph Howell asked the Prime Minister how many persons employed in any capacity by the Department of Health and Social Security are paid £30,000 per annum or more.

The Prime Minister: On 1 April 1985 there were 59 employees of the Department of Health and Social Security being paid £30,000 per annum or more.

Social Services Departments (Salaries)

Mr. Ralph Howell asked the Prime Minister what information she has as to the number of persons employed in any capacity by social services departments of local authorities who are paid £30,000 per annum or more.

The Prime Minister: Information is not collected centrally on the pay of individual local authority employees.

VE Day

Mr. Bendall asked the Prime Minister whether Wednesday 8 May will be designated as a public holiday in commemoration of the 40th anniversary of Victory in Europe day.

The Prime Minister: No.

Engagements

Mr. Ron Davies asked the Prime Minister if she will list her official engagements for 30 April.

Mr. Pike asked the Prime Minister if she will list her official engagements for 30 April.

Mr. Parry asked the Prime Minister if she will list her official engagements for 30 April.

Mr. Duffy asked the Prime Minister if she will list her official engagements for Tuesday 30 April.

Mr. John Mark Taylor asked the Prime Minister if she will list her official engagements for Tuesday 30 April.

The Prime Minister: This morning I had meetings with ministerial colleagues and others including one with the Prime Minister of Canada. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen, and will be giving a dinner for the Prime Minister of Canada.

Fontainebleau Summit

Mr. Teddy Taylor asked the Prime Minister if she is satisfied with the progress being made in implementing the decisions of the Fontainebleau summit.

The Prime Minister: Agreement was reached last December on conclusions on budgetary discipline. The Council reached agreement in March on the text of the new own resources decision including provision for the United Kingdom's abatement. The terms of Spanish and Portuguese entry into the Community have been agreed. Follow-up work is in hand on the reports of the two ad hoc Committees set up at Fontainebleau.

Australian Royal Commission

Mr. Foulkes asked the Prime Minister, pursuant to her reply of 17 April, *Official Report*, column 173, if she will explain the nature of the documents withheld from the Australian Royal commission on grounds of *(a)* international relations and *(b)* personal sensitivity; and how many documents were withheld in each case.

The Prime Minister: The Australian Royal commission is well aware that a very small amount of material involving the interests of third countries has been withheld where disclosure would damage the United Kingdom's international relations. Other material has been provided to the Royal Commission after consultation with the countries concerned.

Considerations of personal sensitivity apply mainly to medical or radiation dose information, which in the United Kingdom may not be published without the consent of the individual concerned. By deleting names in many cases it has been possible to supply relevant information without infringing personal sensitivity. The number of documents relevant to the terms of reference of the Australian Royal Commission withheld on these grounds is small, compared with the several thousand already supplied.

The Australian authorities are well aware of the position; Senator Evans, Australian Minister for Resources and Energy, in answer to a question in the Australian Senate on 19 April, stated that it was his understanding that the United Kingdom Government had been co-operating with the Royal Commission and that there was no belief in the Commission that it had now been denied access to documents of significance for its inquiry and its conclusions. Senator Evans went on to say that he had no reason to believe that there was any degree of concern at all in the Commission about the level of co-operation by the United Kingdom Government.

Nuclear Trigger Devices (Testing)

Mr. Foulkes asked the Prime Minister if she will list the occasions on which nuclear trigger devices have been tested in the United Kingdom.

The Prime Minister: No tests of neutron initiators for nuclear weapons, sometimes referred to as "triggers" of a nature described in my reply of 2 April, at column 524, have been conducted in the United Kingdom.

School Leavers

Mr. Barry Jones asked the Prime Minister what proportion of young people left school at *(a)* 16 years and *(b)* 18 years in (i) Wales, (ii) England and (iii) Scotland in 1984.

The Prime Minister: The information is as follows:

*School leavers in the academic year 1983-84**
Leavers as a percentage of the numbers in the age group†

Leavers aged‡	*Wales percentage*	*England percentage*	*Scotland percentage*
16	66	67	43
18	16	17	22

* Provisional data for England and Wales.
†School leavers expressed as a percentage of the population in the age group.
‡Ages at 31 August 1984 for England and Wales; 31 December 1984 for Scotland.

Member's Correspondence

Mr. Dalyell asked the Prime Minister when she hopes to be able to reply to the letter from the hon. Member for Linlithgow, dated 29 March, on out of area arrangements for the supply of equipment to the United Kingdom from the United States of America under North Atlantic Treaty Organisation arrangements.

The Prime Minister: Soon.

Rates (Review)

Mr. Fatchett asked the Prime Minister if she will extend the scope of the review of rates to include water rates.

The Prime Minister: The scope for extending metering instead of rateable value as a means of charging households for water supplies is currently being considered by a joint study involving the Department of the Environment and the water industry. In responding to the study's recommendations, the Government will also take account of any relevant proposals which may emerge from the review of local government finance.

ENVIRONMENT

"The Glory of the Garden"

Mr. Litherland asked the Secretary of State for the Environment whether he will disregard for calculation of rate support grant penalties those sums offered by local authorities as challenge funding in respect of regional arts developments which are sponsored by the Arts Council of Great Britain in accordance with the policy set out in "The Glory of the Garden".

Mr. Waldegrave: My right hon. Friend will consider any such representations which he receives.

Felixstowe Dock and Railway Bill

Mr. Weetch asked the Secretary of State for the Environment what steps he takes to examine the planning implications of developments for which authority is sought by private Bill; and if he will make a statement on the specific steps taken in the case of the Felixstowe Dock and Railway Bill.

Mr. Macfarlane: The Government do not normally get directly involved in private Bills unless national policies are prejudiced. My Department is at present considering the provisions of the Bill and will decide in due course whether to submit a report to Parliament.

Rates

Mr. Heddle asked the Secretary of State for the Environment what information he has as to the amount of rateable revenue recovered by local authorities in England and Wales from *(a)* vacant retail premises, *(b)* vacant offices and *(c)* vacant garage/showroom premises for each year since 1979.

Mr. Waldegrave: The information is not available centrally.

Housing Starts (London)

Mr. Dubs asked the Secretary of State for the Environment if he will indicate for each London borough and the Greater London council, how many housing starts are planned for 1985.

Sir George Young: My Department has made no such estimates.

Crisis Management

Mr. Cohen asked the Secretary of State for the Environment, further to the answer of 1 April, *Official Report*, column 435, if he will state the envisaged scenarios within which his Department has taken part in the corporate exercise of testing crisis management measures other than Wintex-Cimex in the past two years.

Mr. Waldegrave: No. Details of the scenarios of these exercises are classified.

Local Authorities (Overtime)

Mr. Fallon asked the Secretary of State for the Environment what information he has as to the total amount paid out by local authorities in overtime for the last 12-month period for which figures are available.

Mr. Waldegrave: This information is not collected centrally.

Leicestershire (Financial Aid)

Mr. Peter Bruinvels asked the Secretary of State for the Environment if he will detail all financial aid given to *(a)* the county of Leicestershire and *(b)* the city of Leicester since 1979, including the inner area programme and all other schemes; and if he will break the figures down by year.

Mr. Macfarlane: The readily available information is given in the table. The figures for inner area programme, slum clearance and improvement grants are not on the same basis as the overall figures for specific grants of which they form part. They are taken from central records of payments or entitlements, whereas the latter are from the authorities' outturn returns.

Financial aid to county of Leicestershire and city of Leicester

£ million

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Leicestershire							
Rate support grant*	—	—	—	—	—	—	—
Needs and resources†	75·5	80·0	—	—	—	—	—
Block grant†	—	—	129·8	129·7	133·4	136·2	134·6
Transport supplementary grant‖	1·7	1·0	1·1	3·1	4·9	6·2	3·9
Capital grant¶	0·9	—	0·6	2·6	0·4	—	—
Specific grants¶	21·3	26·4	30·9	31·5	36·7	—	—
of which							
Inner area programme●	0·6	0·8	1·3	1·1	1·1	—	—
Mandatory student awards*	8·4	10·4	12·2	10·7	11·5	11·8	12·4
Leicester city							
Rate support grant*	—	—	—	—	—	—	—
Needs and resources†	14·1	15·7	—	—	—	—	—
Block grant†	—	—	9·7	8·1	8·0	9·7	12·0
Domestic/DRRG‡	2·9	2·9	3·0	3·0	3·1	3·1	3·1
Housing subsidy■	10·3	11·7	7·8	2·4	—	—	—
Housing benefits#	3·8	4·7	4·3	10·1	24·7	24·1	26·9
Capital grants¶	1·8	2·4	2·4	2·0	3·0	—	—
Specific grants,¶	2·9	3·4	3·6	6·2	9·9	—	—
of which							
Inner area programme●	0·7	1·3	1·0	2·1	1·7	—	—
Slum clearance■	0·5	0·6	0·6	0·5	0·4	0·4	0·3
Improvement grants■	0·7	1·0	1·4	2·2	3·2	4·2	4·9

Notes:

* The rate support grant system changed in 1981-82. Figures for earlier year are not on a comparable basis. The figures for 1979-80 and 1980-81 include the needs, resources and domestic elements. Thereafter they include block grant and domestic rate relief grant.

† Figures up to 1981-82 are final entitlements. Those for 1982-83 and 1983-84 are entitlements based on outturn after holdback, and for 1984-85 entitlements based on budgets after holdback. The figures for 1985-86 are before holdback and based on budget for Leicestershire and on expenditure limit for Leicester city.

‡ Figures up to 1983-84 are final entitlements. Those for 1984-85 and 1985-86 are latest estimates.

‖ The figures up to 1984-85 cover all transport, while that for 1985-86 is for roads capital only.

¶ The figures are from the authorities' outturn returns and are not available for 1984-85 and 1985-86.

● The figures are from central records of payments and are not available for 1984-85 and 1985-86.

■ The figures for 1979-80 to 1982-83 are from the authorities' final audited claims. Those for 1983-84 to 1985-86 are provisional.

* The figures up to 1983-84 are from outturn returns and for 1984-85 and 1985-86 from budget returns.

The figures cover payments of subsidies for rent and rate rebates and rent allowances by DOE from 1979-80 to 1982-83 (part) and by DHSS from 1982-83 (part) to 1985-86. Those for 1979-80 to 1983-84 are based on final audited claims, while those for 1984-85 are from mid-year and initial claims respectively.

Council House Sales

Mr. Peter Bruinvels asked the Secretary of State for the Environment if he will publish in the *Official Report* the total number of dwellings sold by Leicester city council in 1984, and for each of the past four years; if he will give the total figure for England for each of the same years; and if he will make a statement.

Sir George Young: Following are the numbers of dwelling sales, right to buy and voluntary, reported by Leicester city council in each calendar year from 1980 and the corresponding estimates for all English local authorities.

	Leicester	*England*
1980	76	79,600
1981	224	94,200
1982	1,469	186,700
1983	1,455	134,900
1984	492	99,400

I am pleased that more than 3,700 homes have been bought in this way and I look forward to many more such purchases as tenants continue to exercise the rights conferred on them by Parliament.

Mr. John Fraser asked the Secretary of State for the Environment if he has any plans to privatise pubicly owned housing in inner city areas.

Mr. Gow: No, but we are encouraging local authorities to adopt a more imaginative range of solutions to the problems of their run-down estates, including disposal to private trusts or developers, and initiatives for the better management of local authority estates, such as the Priority Estates project. My right hon. Friend announced on 26 February 1985, at column 99, that he was setting up the urban housing renewal unit within the Department for this purpose. The unit will be launched shortly.

Closer partnership between the public and private sectors is in the best interests of those who live in the public sector.

Falkland Islands (Airport)

Mr. Foulkes asked the Secretary of State for the Environment what is *(a)* the original and *(b)* the current estimate for the cost of (i) the runway at Mount Pleasant airport, (ii) the army facilities at Mount Pleasant airport and (iii) other costs of the airfield excluding the runway.

Sir George Young: The original cost of the airport works announced in June 1983 was £215 million. The current estimate is £276 million. The increase mainly arises from the provision of additional joint service facilities in the interests of overall economy, and from price changes due to inflation.

The current estimate for the army works remains at £119 million. This figure reflects savings achieved by reducing the accommodation requirements, offset by price changes due to inflation.

It is not the practice to disclose rates for particular components of the contracts.

Mr. Foulkes asked the Secretary of State for the Environment which items in the original estimate for the cost of the Mount Pleasant airport were priced in non-sterling currencies; and what revision in the cost of the airport has occurred due to falls in the value of the pound sterling.

Sir George Young: None. The only element in the contracts directly sensitive to exchange rate fluctuations is the cost of fuel oil for ships which amounts in total to some £9 million. There have been no increases in the total estimated costs of the airport directly attributable to falls in the value of the pound sterling.

Rate Support Grant

Mr. Silvester asked the Secretary of State for the Environment (1) if he will list each local authority in England indicating the amount of rate support grant per head for 1985-86;

(2) if he will list each local authority in England according to the percentage of the national rate support grant that was allocated to it for each year since 1979.

Mr. Waldegrave: I shall answer these questions shortly.

SCOTLAND

Toll Charges

Mr. David Marshall asked the Secretary of State for Scotland whether the decision not to charge tolls on the planned new Dornoch bridge represents a change of the Government's policy relating to estuarial crossings.

Mr. Ancram: No. It is not Government policy to toll estuarial crossings where to do so would frustrate the objectives of providing the crossing. The Dornoch bridge will form part of the improved A9. To charge tolls could discourage traffic using the bridge in preference to the existing route round the Firth.

Mr. David Marshall asked the Secretary of State for Scotland whether arrangements will now be made to abolish toll charges at all estuarial crossings in Scotland.

Mr. Ancram: No.

Herons

Mr. Kilroy-Silk asked the Secretary of State for Scotland what is his estimate of the number of herons; and whether their number is declining.

Mr. Ancram: The Nature Conservancy Council's most recent survey of the heron population in 1979 established that there were 1,500 pairs in Scotland. There is no evidence that their number is declining, but I understand that this year the British Trust for Ornithology is to conduct a national survey of the heronries of Britain and Northern Ireland.

Rates

Mr. Bruce asked the Secretary of State for Scotland if he will publish in the *Official Report* in respect of *(a)* each local authority area in Scotland and *(b)* the average for Scotland as a whole, the percentage increase in average rates bills for 1985-86 over 1984-85 for (i) domestic, (ii) industrial, (iii) commercial, (iv) miscellaneous, (v) public utility and (vi) all subjects.

Mr. Ancram: I am obtaining this information and hope to publish it in the *Official Report* shortly.

Police (Misconduct)

Mr. Ron Brown asked the Secretary of State for Scotland how many police officers in Scotland were dismissed for misconduct during 1980, 1981, 1982, 1983 and 1984, respectively; and if he will make a statement.

Mr. Ancram: In these years , nine police officers were dismissed and 29 were required to resign as an alternative to dismissal, having been found guilty of disciplinary offences as set out in schedule 1 to the Police (Discipline) (Scotland) Regulations 1967. These figures include seven officers who were later reinstated on appeal to the Secretary of State. The figures for each year are as follows:

	Dismissed	*Required to resign as an alternative to dismissal*
1980	2	4
1981	—	9
1982	4	2
1983	3	10
1984	—	4

Job Creation (Greenock)

Dr. Godman asked the Secretary of State for Scotland what level of funding is devoted by the Manpower Services Commission to the Greenock travel-to-work area.

Mr. Allan Stewart [*pursuant to his reply*, 19 April 1985, c. *248*]: I regret that the information is not available in the form requested. However, it is estimated that over £24 million was spent by the Manpower Services Commission in 1984-85 in the Renfrew, Dumbarton, Argyll and Bute area, exclusive of administration costs, but including the operating costs at the jobcentres in the area.

ENERGY

Lead in Petrol

Mr. Woodcock asked the Secretary of State for Energy if he will estimate the level of investment required in the United Kingdom refining industry between now and 1989 to meet the requirements to produce unleaded petrol; and if he will make a statement.

Mr. Buchanan-Smith: The United Kingdom refining industry will probably need to invest somewhat over £200 million to move from petrol containing 0·15 grams per litre to unleaded petrol. The investment will be spread over many years. It is not possible to apportion this expenditure

between that which has already been incurred, that which will be incurred between now and 1989 and that which will be incurred thereafter.

Mr. Woodcock asked the Secretary of State for Energy if he will estimate the total energy penalty in terms of barrels of crude oil which will be paid by the United Kingdom following the decision to introduce unleaded petrol.

Mr. Buchanan-Smith: The decision to introduce unleaded petrol may eventually increase crude oil consumption in the United Kingdom by perhaps 12,000 barrels a day when conversion from leaded petrol is completed.

Brown Book

Mr. Hannam asked the Secretary of State for Energy when he will publish his next report on oil and gas development in the United Kingdom, the Brown Book.

Mr. Peter Walker: I have today published the latest edition of the Brown Book, and arranged for copies to be placed in the Library of the House and the Vote Office Stores. The report gives a detailed account of oil and gas development in 1984.

TRADE AND INDUSTRY

SWOPS Project

Mr. Arnold asked the Secretary of State for Trade and Industry what representations he has received from Mr. Durber of Hawker Siddeley plc in the matter of the SWOPS project.

Mr. Butcher: Representations have been received from Mr. Durber, the details of which are commercially confidential.

United States Telecommunications Companies

Mr. Michael Marshall asked the Secretary of State for Trade and Industry what information he has as to how many United States telecommunications companies are operating in the United Kingdom and in what sectors of the market.

Mr. Butcher: My Department does not keep records in the form requested.

Video Cassette Recorders

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry what was the total annual value of video cassette recorders sold in the United Kingdom over the last five years.

Mr. Butcher: The available information is as follows:

Estimated sales in United Kingdom of video recorders 1980-84

	£ million
1980	96
1981	275
1982	523
1983	534
1984	375

Source: Business Monitors PQ 365.2 & PQ 3454.

Notes:

1980-83: Estimate = imports less exports; United Kingdom production thought to be negligible for 1980-82 and is omitted for 1983 owing to the risk of disclosing information about individual enterprises.

1984: Estimate = United Kingdom production plus imports less exports.

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry who were the major manufacturers of video cassette recorders sold in the United Kingdom; and what were their shares of the United Kingdom market for each year since 1978.

Mr. Butcher: This information is not available on overseas producers of VCRs. The United Kingdom producers of these machines are J2T; Sanyo, Mitsubishi; Toshiba and Sharp. Hitachi plan to begin production in the United Kingdom later this year.

United States (High Technology Exports)

Mr. Meadowcroft asked the Secretary of State for Trade and Industry what representations he has received regarding the British company, Systime United Kingdom, which has been fined by the United States Government for breaches of the United States export regulations on high technology products; and if he will make a statement.

Mr. Channon: My Department has had approaches from a number of sources about Systime's difficulties over United States export controls and has discussed the situation with the company. My officials and representatives of the company remain in touch.

Mr. Meadowcroft asked the Secretary of State for Trade and Industry whether it is the policy of Her Majesty's Government to invoke the Protection of Trading Interests Act 1980 against the United States Government in cases of extra-territorial application of its export regulations for high technology products; and if he will make a statement.

Mr. Channon: My right hon. Friend would be prepared to take this course where he is satisfied that it is the most effective way of safeguarding legitimate United Kingdom interests. It is however a weapon of last resort since it puts firms under directly conflicting requirements of law.

Origin Marking

Sir Geoffrey Finsberg asked the Secretary of State for Trade and Industry whether he has received the judgment of the European Court of Justice on the origin marking order; and if he will make a statement.

Mr. Fletcher: The European Court of Justice has now delivered its judgment that the Origin Marking Order (the Trade Descriptions (Origin Marking) (Miscellaneous Goods) Order 1981) is in breach of Article 30 of the EEC Treaty, in so far as it relates to goods imported from elsewhere in the Community. The Government will be carefully considering the judgment and its implications for the future of the Order, and will consult bodies representative of those affected as soon as possible.

TRANSPORT

Helicopters

Mr. Bruce asked the Secretary of State for Transport what measures are being taken to ensure that tests on the behaviour of helicopters when ditching in the sea *(a)* are

based on experiments on actual aircraft rather than models in tanks and *(b)* take account of nautical factors and advice available from experienced maritime sources.

Mr. Michael Spicer: The Civil Aviation Authority, which is the responsible body, informs me that it always considers carefully the validity of tank model testing of the behaviour of a helicopter after ditching, when assessing whether that helicopter complies with British civil airworthiness requirements. The authority bases its specific nautical conditions on the internationally agreed code of the World Meteorological Organisation, and also takes account of advice from any other appropriate source.

Road Accidents

Mr. Knox asked the Secretary of State for Transport if he will list staffing levels for those involved in research into ways of reducing the incidence and severity of road accidents at the Transport and Road Research Laboratory in each of the past 12 years.

Mrs. Chalker: The numbers of staff at the Transport and Road Research Laboratory directly engaged in research into ways of reducing the incidence and severity of road accidents over the past 12 years were as follows:

As at 1 January	*In post*
1974	121
1975	104
1976	106
1977	97
1978	82
1979	78
1980	69
1981	62
1982	58
1983	55
1984	68
1985	66

Okehampton Bypass

Sir Peter Mills asked the Secretary of State for Transport what is the annual extra cost per year in delaying the building of the Okehampton bypass.

Mrs. Chalker: The extra cost per year to users of the road is expected to be about £1·7 million per year at 1984 price levels.

Sir Peter Mills asked the Secretary of State for Transport what is the difference in cost between the southern and northern route of the Okehampton bypass.

Mrs. Chalker: The northern route put forward by petitioners and considered recently by the joint committee would cost about £5·25 million more than the Department's southern route at 1984 prices.

Sir Peter Mills asked the Secretary of State for Transport how many acres of agricultural land would be used if the northern route was used for the Okehampton bypass as compared with the southern route.

Mrs. Chalker: About 18 acres more agricultural land would be required to construct the northern route as put forward by the petitioners.

Sir Peter Mills asked the Secretary of State for Transport how many homes and quarries would be affected if the northern route for the Okehampton bypass were used as compared with the southern route.

Mrs. Chalker: No homes would be demolished but one quarry employing about 10 workers would be closed if the petitioners northern route were used, compared with one home, and two unoccupied cottages, to be demolished but no quarries closed on the Department's southern route.

Sir Peter Mills asked the Secretary of State for Transport what steps he is taking to assist motorists and commercial transport-users while there is delay in building the Okehampton bypass.

Mrs. Chalker: A diversion to allow holiday traffic to avoid Okehampton at peak summer weekends has been in operation for several years, and we will be examining whether its use should be extended. Recent improvements to the A38 trunk road and further work both about to start and in preparation for the A30 and the A38 should assist east-west traffic movements through Devon.

Consultants

Mrs. Dunwoody asked the Secretary of State for Transport if he will list all of the consultants employed in connection with the Transport Bill and Buses White Paper, the nature of projects for which they were employed and the cost to his Department.

Mr. Ridley: I shall reply to this question shortly.

Motor Cyclists

Mrs. Dunwoody asked the Secretary of State for Transport (1) if he will take action to ensure that motor cyclists are more visible to other road users by encouraging them to use their headlights in the day time;

(2) what estimate he has of the percentage and number of accidents involving motor cycles which are primarily due to the motor cyclist involved not being sufficiently visible to other road users.

Mr. Ridley: In 1983 there were 51,545 accidents involving motor cycles. Research by the Transport and Road Research Laboratory suggests that failure by another vehicle driver to see the motor cycle constituted a major factor in approximately a third of these accidents.

TRRL has continued to study the problem of motorcyclist conspicuity. The effectiveness of the available daytime conspicuity aids seems to vary according to such factors as ambient lighting levels and the presence and mix of the traffic. But overall, fluorescent clothing, headlamps and daytime running lamps all appear to perform equally well. So the Department has strongly encouraged motor cyclists to make themselves as conspicuous as possible by these means.

I am currently studying the recommendation by the Transport Committee that the use of headlamps or running lamps during daylight should be required by law.

Pilots (Redundancy Pay)

Mr. Colvin asked the Secretary of State for Transport if his Department plans to make any contribution towards the redundancy pay for pilots; and if he will make a statement.

Mr. David Mitchell: The Government propose that any scheme to compensate surplus pilots should be financed from within the shipping industry. It is the shipping industry which will benefit directly from the cost savings which will arise from a more cost-effective pilotage system and the Government see no reason why the taxpayer at large should foot the bill.

NATIONAL FINANCE

Revenue Yield

Mr. Alexander asked the Chancellor of the Exchequer how much revenue was derived in 1984 from *(a)* road fund licences, net of the costs of collection, *(b)* excise duty on petrol and Derv and *(c)* value added tax on petrol and Derv.

Mr. Hayhoe: The information is as follows:

(a) £2,065 million;
(b) £4,660 million (petrol), £1,160 million (Derv);
(c) £930 million (this is an estimate covering all road fuel; no separate estimate is available for Derv, although this amount is likely to be small).

Personal Taxation

Mr. Andrew Bowden asked the Chancellor of the Exchequer (1) if he will estimate the number of people taken out of tax in the year 1985-86 *(a)* if the single person's age allowance is raised to £2,920 and *(b)* if the married man's age allowance is raised to £4,650;

(2) if he will estimate the number of people taken out of tax in the year 1984-85 *(a)* if the single person's age allowance is raised from £2,360 to £2,655 and *(b)* if the married man's age allowance is raised from £3,755 to £4,240.

Mr. Moore: Estimate are as follows:

	Increase in age allowance		*Reduction in number of aged taxpayers*
	From £	*To* £	
1984-85			
Single	2,360	2,655	180,000
Married	3,755	4,240	190,000
1985-86			
Single	2,490	2,920	230,000
Married	3,955	4,650	260,000

Married couples are counted as one.

Covenants

Mr. Carter-Jones asked the Chancellor of the Exchequer if, with a view to reducing the amount of paperwork involved and the work load of Inland Revenue staff, he will take steps to simplify the processes involved in the convenant procedure; and if he will make a statement.

Mr. Moore: I shall let the hon. Member have a reply as soon as possible.

Excise Duties

Mr. George Gardiner asked the Chancellor of the Exchequer what are the present periods permitted for the deferred payment of excise duties on wines and spirits in Belgium, Denmark, France, Luxembourg, West Germany and the United Kingdom; and if he will explain any differences.

Mr. Hayhoe: The rules and procedures governing the payment of duty in EEC countries are complex. The following table sets out what Customs and Excise understands to be the average periods of duty deferment applying to wines and spirits.

	Wine	*Spirits*
Belgium	2 to 6 months according to type	4 months
Luxembourg	2 to 6 months according to type	2 to 6 months
Denmark	65 days	45 days
France	2 months	2 months
West Germany	Still wines are not taxed. Aromatic and liqueur wines 3 months. Sparkling wine 40 days.	3 months
United Kingdom	1 month	1 month

The granting of deferment and the determination of its length are matters for national Governments to decide.

Mr. George Gardiner asked the Chancellor of the Exchequer whether, in his review of duty deferment, he will take account of the recommendations of the Food and Drink Manufacturing Economic Development Committee's report, "Scotch Whisky in the '80s"; and when he expects to complete this review.

Mr. Hayhoe: Customs and Excise is currently reviewing the arrangements for duty deferment. It hopes to complete the review by the end of 1985. It is, however, a review of administration, and the recommendations of the NEDC report are outside its scope. These recommendations were carefully considered by my right hon. Friend in his review of taxation before his last Budget, and it was decided to make no alteration to the periods of duty deferment allowed for alcoholic drinks.

Mr. George Gardiner asked the Chancellor of the Exchequer what is the estimated cost of increasing the duty deferment period for wines and spirits by two weeks, four weeks and six weeks, respectively.

Mr. Hayhoe: There would be a once-for-all loss of revenue in the financial year in which the change was introduced. This would be about £185 million for an additional period of deferment of either two or four weeks, because one month's payments will be deferred to the following financial year; and about £370 million for an additional six weeks, because two months' payments would be deferred to the following financial year. There would also be associated borrowing costs.

Mr. George Gardiner asked the Chancellor of the Exchequer what are the estimated receipts in 1984-85 and 1985-86 from duties on spirits, beer, wine, made-wine, cider and perry, respectively; and if he will explain any differences.

Mr. Hayhoe: The estimates are as follows:

	1984-85 £ million*	*1985-86† £ million*
Spirits	1,240	1,460
Beer	1,825	1,960
Wine	595	700
Made-wine	50	70
Cider and perry	45	60
Total	3,755	4,250

* Latest estimates.
† Forecast.

Estimates of increased receipts in 1985-86 result from the increased rates of duty announced in the Budget and forecasts of growth in the economy.

Clearance Procedure

Mr. Trotter asked the Chancellor of the Exchequer if, in the light of the decision in Furniss *v.* Dawson, he will introduce legislation to provide a clearance procedure whereby the taxpayer may apply in advance to the Inland Revenue for a definitive statement as to the tax treatment it would apply to a proposed transaction or series of transactions; and if he will make a statement.

Mr. Moore: I refer my hon. Friend to the reply I gave to his previous question on 27 February 1985 at column *211*.

Airports (Duty-free Shops)

Mr. Wrigglesworth asked the Chancellor of the Exchequer what representations he has received advocating opening a duty-free shop at Teesside airport; and if he will make a statement.

Mr. Hayhoe: Representations have been received on two occasions, the most recent in 1983. Facilities were refused because the number of outward bound international passengers was below the required level.

Mr. Wrigglesworth asked the Chancellor of the Exchequer if he will allow the operation of a duty-free shop at Teesside airport.

Mr. Hayhoe: No. The required level of departing international passengers has not yet been achieved.

Mr. Wrigglesworth asked the Chancellor of the Exchequer what are his criteria for the operation of duty-free shops at airports.

Mr. Hayhoe: The qualification required for the establishment of a duty-free shop at an airport is 100,000 passengers departing annually for destinations abroad.

Mr. Wrigglesworth asked the Chancellor of the Exchequer which airports in the United Kingdom operate duty-free shops.

Mr. Hayhoe: Duty-free shops have been established at Aberdeen, Belfast, Birmingham, Bristol, Cardiff, East Midlands, Edinburgh, Gatwick, Glasgow, Heathrow, Manchester, Newcastle, Prestwick, Southampton and Stansted airports.

Finance Bill

Mr. Tim Smith asked the Chancellor of the Exchequer if notes on those clauses and schedules of the Finance Bill to be taken in Committee of the whole House will be made available to hon. Members.

Mr. Peter Rees: Yes. The appropriate notes on clauses and their related schedules were placed in the Vote Office earlier today.

Review Board for Government Contracts

Mr. Forth asked the Chancellor of the Exchequer if he will make a statement on the outcome of the report on the first annual review by the Review Board for Government Contracts.

Mr. Peter Rees: The review board in its report on the fourth general review proposed that the triennial reviews of the target profit rate should be supplemented by limited annual reviews so that changes in the rate of return elsewhere in the economy and in other economic circumstances can be reflected more quickly in the profit rate. The review board submitted the first of these interim reviews to the Treasury in the middle of March. The two principal matters dealt with in the report are the target rate of profit for Government non-competitive contracts, and a study of the capital employed in these contracts.

The review board recommended the target rate of profit be increased from the present 11 per cent. to 13 per cent. on capital employed in semi-CCA terms, with an assumed average CP/CE ratio of 2·35 to 1.

On the question of capital employed, the board found that although there was not sufficient data to support the view that Government profit formula work generally required less capital than the contractors' other work, there were some significant divergencies in individual cases arising almost entirely from a small number of large and exceptional projects, both defence and non-defence. The board recommended that these divergencies should be addressed by negotiating more relevant units for the calculation of CP/CE ratios rather than by adjusting the target rate of return in the profit formula. Meanwhile, a transitional adjustment should be made to the average CP/CE ratio to avoid distortion by the exceptional projects referred to. Hence the observed ratio of 2·24 to 1 should be increased to 2·35 to 1.

After careful consideration, and consultation with the negotiating committee of the CBI representing contractors, the Government accept in principle the board's main recommendation as to the treatment of the divergencies in capital employed and are examining with the contractors the practicalities. Meanwhile, however, it is essential that the overstatements of capital employed identified by the board should be fully reflected in the profit formula. This can only be done at present by a full adjustment of the target rate of profit affecting both the cost-based element and the capital-based element. Accordingly, the Government have decided to set the target rate of profit at 12 per cent. on capital employed on a semi-CCA basis, accompanied by the observed average of CP/CE ratio of 2·24 to 1. These new arrangements will be implemented with effect from 1 May 1985.

Copies of the review board report have been placed in the Library.

THE ARTS

Museums and Galleries (Grants)

Mr. Buchan asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he will now publish in the *Official Report* the allocation between the various national museums and galleries of the £28·7 million maintenance and repair grant announced on 17 December 1984.

Mr. Waldegrave: The provision of £28·7 million for building and maintenance work at the national museums and galleries in 1985-86 is met from the arts and libraries public expenditure programme. Responsibility for administering and carrying out the work rests with the Property Services Agency, on whose Vote the expenditure is shown.

The planned programme for 1985-86 comprises:

	£ million
Expenditure on works already in progress	10
Expenditure on works planned for start in 1985-86	6·3
Expenditure on "bulk maintenance", fuel etc., PSA administration costs	12·4

The estimated expenditure in 1985-86 for building work borne on the PSA Vote for each of the national museums and galleries is as follows. The figures are an approximate indication of the expected levels of expenditure rather than a firm allocation of funds. They assume that both building works in hand and those planned to start in 1985-86 progress as originally envisaged. They include an element for "bulk maintenance" (minor maintenance work) but exclude spending on schemes shared between two or more museums, other current expenditure on heating, lighting, services and so on and PSA administration:

	£ million
British Museum	2·8
Imperial War Museum	1·3
National Gallery	2·6
National Maritime Museum	1·9
National Portrait Gallery	0·7
Tate Gallery	1·8
Wallace Collection	0·1
Victoria and Albert Museum	5·8
Science Museum	2·8
Total	19·8

EDUCATION AND SCIENCE

Suspension of Pupils

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will list by authority the information he has as to the number of pupils who have been suspended from school, the average length of suspension and the maximum length of suspension for the most recent year for which figures are available.

Mr. Dunn: Detailed statistics of pupils suspended from school are not collected centrally. Such information as the Department receives on suspensions in particular schools or in individual authorities is presented in a variety of forms and not on a basis whereby consistent comparisons can be made.

Academic Attainment

Mrs. Rumbold asked the Secretary of State for Education and Science (1) what studies have been made to compare the academic success of people from socio-economic groupings C and D post the reorganisation of secondary schools by comparison with that prior to re-organisation; and if he will make a statement;

(2) what studies have been made of success in industry and commerce by people coming from the socio-economic groupings C and D *(a)* since the secondary school reorganisation along comprehensive lines and *(b)* in the era of grammar schools, secondary modern and technical schools.

Sir Keith Joseph: I am not aware of any studies which specifically address these questions, although reports of studies by the National Children's Bureau and the National Council for Educational Standards have included reference to the relationships between social class, selectivity and examinations results.

Mr. Deakins asked the Secretary of State for Education and Science what research his Department is undertaking into the reasons for the nature of the correlations between the social class of parents and the educational attainment of their children.

Sir Keith Joseph: There have been a number of studies demonstrating a strong statistical relationship between examination results and home background factors. There is also evidence of varying levels of attainment amongst children from similar home backgrounds. I announced last November, at columns 698-99, that I was willing to consider research proposals designed to explore those factors within the responsibility of the education service which affect educational attainment. It would be necessary to take into account significant factors such as social class which are external to the education service. The Department is currently considering proposals made in response to my statement.

Private Sector

Mrs. Rumbold asked the Secretary of State for Education and Science what steps his Department has taken in the past year in transferring responsibilities for education from the public to the private sector.

Sir Keith Joseph: The Government recognise the important role played by the independent schools in enriching and increasing the diversity of the schools system. This was recently confirmed in chapter 12 of the White Paper "Better Scools" (Cmnd. 9469). The Department continues to support the assisted places scheme, whose purpose is to increase parental choice.

The Department and others have been working with the Department of the Environment on proposals for the contracting out of local authority services, including school meals, cleaning of buildings and ground maintenance. A consultative document has been issued and it is intended to introduce legislation in the next Session which will require local authorities to put these services out to tender.

Further Education

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he is now able to publish the percentage of 16 and 17-years-olds who remained in full-time education in schools or further education colleges in September 1984 for England and for each local education authority area; and how this compares with each of the previous five years.

Sir Keith Joseph: The proportions of the population aged 16 and 17 years remaining in full-time education in schools and colleges in England for the academic years 1979-80 to 1984-85 are as follows:

	Percentage of population aged 16 or 17 in full-time education					
	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85 (provisional)
Aged 16	42	43	48	50	47	48
Aged 17	27	28	30	32	32	31

Comparable information for each local authority for the 1984-85 academic year will not be available until early autumn. As soon as these data become available they will be placed in the Library together with comparable figures for the earlier years.

Royal College of Art

Mr. Sedgemore asked the Secretary of State for Education and Science if he will withhold funding from the Royal College of Art pending an inquiry into its proposals to close down the environmental media studies course.

Mr. Brooke: No.

Mr. Sedgemore asked the Secretary of State for Education and Science how many other institutions offer a course comparable to the environmental media studies course at the Royal College of Art leading to an MA degree; and if he will make a statement.

Mr. Brooke: I understand that there are no comparable courses in the United Kingdom.

Mr. Sedgemore asked the Secretary of State for Education and Science if he has had any communications with the Royal College of Art over the proposed closure of the environmental media studies course.

Mr. Brooke: I met representatives of the Royal College of Art, including the rector, very shortly after the college had formally decided to undertake a major restructuring of its faculties, part of which involved the closure of the department of environmental media. They explained to me the reasons for the restructuring.

Mr. Sedgemore asked the Secretary of State for Education and Science what representations he has had from students from the Royal College of Art over the proposed closure of the environmental media studies course.

Mr. Brooke: We have received four letters in all: three from hon. Members writing on behalf of their constituents who are students at the college, and one signed by a number of the students themselves.

Mr. Sedgemore asked the Secretary of State for Education and Science if he will seek an assurance from the rector of the Royal College of Art, Mr. Jocelyn Stevens, that the number and quality of the fine art courses and the number of students taking fine art courses will be maintained or enhanced when the existing professors of painting and sculpture retire.

Mr. Brooke: My right hon. Friend does not determine the provision of courses at the Royal College of Art. However, he has appointed a visiting committee to advise him on questions relating to the development of the college and their financial implications. The next report of the committee will be submitted in the summer and is expected to comment on the college's plans for its various departments. In advance of the committee's advice, it would be inappropriate for me to express a view about the future balance of work within the college.

Mr. Sedgemore asked the Secretary of State for Education and Science if he will withhold funds from the Royal College of Art pending an inquiry into whether Mr. Jocelyn Stevens is conducting the college *(a)* in accordance with its articles of government and *(b)* in accordance with appropriate academic standards.

Mr. Brooke: No. The Royal College of Art is a self-governing institution within the terms of its Royal Charter.

Mr. Sedgemore asked the Secretary of State for Education and Science if he will withhold funding from the Royal College of Art pending an inquiry into complaints about the conduct of the rector, Mr. Jocelyn Stevens.

Mr. Brooke: No.

Deaf and Blind School Leavers

Mr. Alfred Morris asked the Secretary of State for Education and Science how many deaf and blind school leavers there were in each of the past two years; and what facilities were available for their further education.

Sir Keith Joseph: The information about school leavers is not available. Where further education is appropriate, local education authorities may provide for young people with visual and hearing handicaps in thier own colleges; alternatively they may support their attendance at an independent institution offering specialist residential provision for these groups, often involving attendance at mainstream courses run by nearby local education authority colleges.

FOREIGN AND COMMONWEALTH AFFAIRS

United Kingdom-Iran (Diplomatic Representation)

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what has been the outcome of the continuing discussions regarding United Kingdom diplomatic representation in Tehran and Iranian representation in London; and why Iran is still permitted to maintain an embassy in London while the United Kingdom is represented through the Royal Swedish embassy in Tehran.

Mr. Renton: I would refer my hon. Friend to the answer my hon. Friend the Member for Shoreham (Mr. Luce) gave him on 19 July 1984, at column 315. The discussions on the respective representation of the United Kingdom and Iran in London and Tehran continue, but there are no plans at present to modify the level of Iranian diplomatic representation in London.

Foreign Diplomats

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether he will name the

country of origin of any middle eastern dipomats who have been required to leave the United Kingdom or whom the police have arrested but not charged because of diplomatic immunity, for alleged serious criminal offences during the current year; and whether the heads of mission of the states in question were requested to insist upon acceptable standards of diplomatic behaviour from their staff in future.

Mr. Renton: The answer to the first part of the question is no. It would be inappropriate to name the country of origin or regional group of the alleged offenders, since their guilt has not been established in court.

All heads of mission were made aware last year that we would in future expect and apply more stringent standards in respect of behaviour by the staffs of diplomatic missions. Specific guidance on this has now been issued to all diplomatic missions, as indicated in paragraph 68 of the Government report on "Diplomatic Immunities and Privileges" published on 23 April.

Iranian Embassy

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether the Iranian embassy sought any permission to display controversial political banners similar to the incident in the summer of 1983; and whether it has been made clear by his Department that no such banners will be acceptable to Her Majesty's Government.

Mr. Luce: No such permission has been sought from the Foreign and Commonwealth Office.

The Iranian embassy is aware that the display of controversial political banners on its building is unacceptable to us.

Falkland Islands

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs what information is available to him regarding the countries which are currently fishing off the Falklands; and what is the value of the fish caught.

Mr. Renton: Vessels entering the Falkland Islands protection zone are observed by Her Majesty's forces in the course of their routine patrolling and it is possible to identify those involved in fishing. Some information is also available to us from other sources, such as commercial enterprises and conservation bodies. It is not possible to put an accurate value on the catch, even if its precise size were known, because of fluctuating demand and price.

Mr. Sean Hughes asked the Secretary of State for Foreign and Commonwealth Affairs if he will give the total and employed population, respectively, of the Falkland Islands at the latest available date, distinguishing in each case between permanent and temporary residents and workers.

Mr. Renton: I am consulting the Civil Commissioner and will write to the hon. Member.

Mr. Sean Hughes asked the Secretary of State for Foreign and Commonwealth affairs if he will give the total amount of money spent by Her Majesty's Government on jobs, services and investment in the Falkland Islands over the past year.

Mr. Renton: It is not possible to give a disaggregated figure for expenditure by Her Majesty's Government on jobs, services and investment in the Falkland Islands in the financial year ending 31 March 1985. But it is estimated that a total sum of £6·5 million was spent on rehabilitation and development. In addition, £143 million was spent by the Property Services Agency on defence works services.

EUROPEAN COMMUNITY

Council of Ministers

Mr. Needham asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the *Official Report* a statement of forthcoming business in the European Community Council of Ministers.

Mr. Rifkind: The usual written forecast was deposited in the House earlier today (30 April). At present, nine meetings of the Council of Ministers are planned for May.

The Agriculture Council is expected to meet on 2—5 May to continue discussion of the Commission's price proposals for 1985. Further meetings are scheduled for 13—15 May and, possibly, 20—21 May.

The Internal Market Council is due to meet on 7 May to discuss the draft directives on the co-ordination of laws relating to self employed commercial agents; the rights of establishment of architects; the mutual recognition of qualifications and rights of establishment of pharmacists; and the easing of controls and formalities applicable to nationals of the member states when crossing intra-Community borders. There will be further discussion of the European standards initiative, especially in relation to technological harmonisation and standards. The Council will also consider the draft regulation to establish a European Economic interest grouping and the draft regulation laying down certain measures for the standardisation and simplification of the statistics of trade between member states. The Economic and Finance Council will meet on 13 May to discuss the implementation of budget discipline for the 1986 budgetary procedures; and a progress report on the proposed directive concerning the harmonisation of laws, regulations and administrative provisions in connection with Unit trusts. The Council may also consider proposals for harmonisation of the structure of duties on alcoholic drinks; and a compromise proposal for tax reliefs for travellers, for small private consignments and for fuel in tanks of commercial vehicles.

A Consumer Affairs Council is expected to meet on 14 May. It is likely to discuss product liability; proposals for a Community information system on accidents involving consumer products, for a directive on consumer credit, and for a directive on consumer protection in connection with doorstep selling; and proposed amendments to directives on consumer protection in respect of unit price marking.

The Foreign Affairs Council will meet on 20—21May. The agenda may include the Community's policy towards its Mediterranean partners after enlargement in the light of the Council's declaration of 30 March 1985; and the Commission's negotiating mandate for an EC—Central America co-operation agreement.

The Transport Council is due to meet on 23 May to discuss strategy for achieving a common transport policy; proposals on drivers hours and proposed transport infra-structure support.

The Co-operation and Development Council is expected to meet on 23 May to discuss the Community's response to the famine in Africa, including the long-term prevention of famine; a study on the cost effectiveness of Community food aid; and development projects to prevent specific problems, such as desertification. The Council may also consider the role of women in development; and preparations for the June ministerial meeting between the Community and the African Caribbean and Pacific states.

NORTHERN IRELAND

Herons

Mr. Kilroy-Silk asked the Secretary of State for Northern Ireland what is his estimate of the number of herons; and if the number is declining.

Mr. Chris Patten: Approximately 1,300 at the time of the last census in 1977. Counts at a small number of heronries since then indicate that the number has increased.

EMPLOYMENT

Community Programme

Mr. Freeman asked the Secretary of State for Employment what progress has been made on the plan to increase the size of the community programme.

Mr. Peter Morrison: Our aim is to complete the planned expansion of the community programme to 230,000 filled places by the end of May 1986. The Manpower Services Commission has been asked for its views on the best means to distribute available places and will be making a considered response as soon as possible. In the meantime, I have agreed with the Manpower Services Commission that it should seek to achieve by the end of December 1985 the following level of places:

Region	*Target for December 1985*
London	13,500
South East	15,700
South West	11,170
Midlands	32,640
Wales	12,610
North West	30,200
Scotland	24,880
Northern	18,000
Yorkshire and Humberside	21,300
	180,000

Trade Unions (Membership)

Mr. Deakins asked the Secretary of State for Employment what information he has as to the proportion of the working population in membership of a trade union *(a)* in the public sector and *(b)* in the private sector.

Mr. Peter Bottomley: Trade unions do not report the industrial classification of their membership to my Department. The available information, including a broad industrial breakdown, was given on pages 28-30 of the January 1985 issue of *Employment Gazette*, a copy of which is available in the Library.

Labour Statistics

Mr. Dubs asked the Secretary of State for Employment, what is the current level of unemployment in absolute terms and as a percentage of those available for work.

Mr. Alan Clark: At 14 March 1985 the number of unemployed claimants in the United Kingdom was 3,267,592, representing an unemployment rate of 13·5 per cent.

Travel-to-Work Areas

Mr. Maclean asked the Secretary of State for Employment what studies his Department has carried out with regard to the travel-to-work areas into the possibility of a causal link between unemployment and length of journey to work.

Mr. Alan Clark: The Department has carried out no studies into the relationship between the length of journeys to work in a travel-to-work area and the area's unemployment rate.

Mr. Maclean asked the Secretary of State for Employment (1) in drawing up the travel-to-work areas, what consideration was given to the correlation between type of employment or location of residence and the level of unemployment in particular socio-economic groups;

(2) how the direction of the hypothetical travel patterns of the unemployed in travel-to-work areas were determined by his Department;

(3) in drawing up the travel-to-work areas, what consideration was given to the posibility that if jobs became available at a distance those currently employed would, in apparent contrast to others in their socio-economic groups, travel to them.

Mr. Alan Clark: As is explained in the supplement published with the September 1984 edition of *Employment Gazette*, a copy of which is in the Library, the review of travel-to-work areas was based on analysis of the travel-to-work patterns observed in the 1981 Census of Population. The hypothetical travel patterns for the unemployed, which were incorporated into the analysis, were arrived at by assuming that the unemployed residents of a particular ward would have the same travel patterns as employed people of the same socio-economic group living in the same ward. Apart from this no account was taken of correlation between type of employment of location of residence and the level of unemployment in particular socio-economic groups, or of the possible effect on journey patterns (of the currently employed or unemployed) of new jobs possibly becoming available at any particular location.

Mr. Maclean asked the Secretary of State for Employment with regard to the travel-to-work areas, what is his Department's definition of socio-economic group.

Mr. Alan Clark: The socio-economic groups are defined in appendix B2 of the Classification of Occupations 1980, a copy of which is in the Library. The review of travel-to-work areas used 18 groups including the subdivision of group 5 defined in the classification.

Mr. Maclean asked the Secretary of State for Employment, with regard to travel-to-work areas, what was the value of the calculations of the measure

commuting links formula for *(a)* Silloth ward and the wards 2, 6, 7, 8, 9, 10 and 13 of Carlisle proto travel-to-work area, *(b)* Silloth ward and the Aspatria-Ellen wards of Allerdale proto travel-to-work area, *(c)* Silloth ward and the Castle-Dalton-Netherhall-Northside-St. Michael's-Stainburn-Westfield wards of Allerdale proto travel-to-work area, *(d)* Waver Ward and the Wampool-Wigton wards of Allerdale proto travel-to-work area, *(e)* Waver ward and the Aspatria-Ellen wards of Allerdale proto travel-to-work and *(f)* Waver ward and the Castle-Dalton-Netherhall-Northside-St. Michael's-Stainburn-Westfield ward of Allerdale proto travel-to-work area.

Mr. Alan Clark: The commuting links requested are as follows:

Silloth ward and:—
- *(a)* Wards 2, 6, 7, 8, 9, 10 and 13 of Carlisle district: 0·00702
- *(b)* Aspatria and Ellen wards: 0·00009
- *(c)* Castle, Dalton, Netherhall, Northside, St. Michael's Stainburn and Westfield wards: 0·00010

Waver ward and:—
- *(d)* Wampool and Wigton wards: 0·00014
- *(e)* Aspatria and Ellen wards: 0·00006
- *(f)* Castle, Dalton, Netherhall, St. Michael's Stainburn and Westfield wards: 0·0

Mr. Maclean asked the Secretary of State for Employment what studies his Department has conducted with regard to travel-to-work areas, into the possibility of a causal link between length of journey to work and socio-economic groups.

Mr. Alan Clark: Table 4 of the workplace and transport-to-work volume of the 1981 Census of Population, a copy of which is in the Library, shows that members of certain socio-economic groups tend to travel further to work than members of other groups. The Manpower Services Commission has commissioned the centre for urban and regional development studies at Newcastle university to investigate the travel-to-work patterns of specific subgroups of the population, including some particular socio-economic groups.

Mr. Maclean asked the Secretary of State for Employment, in preparing the travel-to-work areas, in what ways the availability of public transport was considered.

Mr. Alan Clark: The review of travel-to-work areas was based on analysis of the travel-to-work patterns observed in the 1981 Census of Population; these patterns reflect, amongst other things, the availability and use of public transport for journeys to work.

Youth Training Scheme

Mr. Janner asked the Secretary of State for Employment to what factors he attributes the low percentage of young people of Asian and West Indian origin in Manpower Services Commission mode A schemes.

Mr. Peter Morrison: A number of different factors have been identified in research undertaken by the University of Bristol's school of advanced urban studies and by the Commission for Racial Equality which may account for a relatively low percentage of Asian and West Indian young people entering mode A of the youth training scheme. In order to ensure that its policy of equal opportunities is fully implemented the Manpower Services Commission has drawn upon the recommendations of the University of Bristol and the Commission for Racial Equality.

Miss Boothroyd asked the Secretary of State for Employment, pursuant to his reply of 2 April, *Official Report*, columns 534-36, if he will publish the sources of the information given in table 2 (Destination of youth opportunity programme and youth training scheme trainees); if he will list as a percentage of the total number of people who have been on youth training schemes or youth opportunity programmes for each of the last five years the numbers of people who found work on completion of training schemes; if he will provide information on a regional basis about post youth training scheme employment rates; if the statistics of post youth training scheme employment are based on the response of ex-trainees; what steps he takes to satisfy himself of the accuracy of the information provided; and whether he will make a statement.

Mr. Peter Morrison [*pursuant to his reply*, 29 April 1985, c. *43-44*]: Information on the proportion of trainees finding employment following their youth opportunity programme or youth training scheme was given in table 2 of my earlier reply of 2 April at columns 534-36. The quarterly figures relating to the youth opportunities programme are derived from postal follow-up surveys of trainees, conducted 12 months after they joined the programme. Information on the youth training scheme comes from a regular monthly postal follow-up survey. A questionnaire is sent to 15 per cent. of ex-trainees some three months after they leave the scheme. The current survey has been carefully developed by the Manpower Services Commission through pilot work and is producing a consistent response rate of around 65 per cent. I am confident that the survey is providing the most reliable picture of what is happening to young people in the country as a whole after they leave the youth training scheme. However, I do accept that there will be marked regional variations. Information on a regional basis will be available by the end of May.

Personal Incomes

Mr. Ralph Howell asked the Secretary of State for Employment if he will give the number of persons in work who have net incomes per week of less than *(a)* £70, *(b)* £100, *(c)* £120, *(d)* £150, *(e)* £200, and *(f)* over £200; and if he will state in each case what percentage of the total work force these numbers represent.

Mr. Peter Bottomley: The latest information on the distribution of the net incomes of employed persons relates to the family expenditure survey for 1982. The table shows the cumulative percentages of those in full time employment with net incomes (gross personal income less tax and national income) below various amounts, and the cumulative percentages of the working population that these numbers represent:

Net incomes below* £	*Percentage of persons*	*Proportion of the working population†*
70	25	15
100	56	33
120	73	43

Net incomes below £*	*Percentage of persons*	*Proportion of the working population†*
150	87	52
200	96	57
200 and over*	4	2

* Gross income attributable to the person, both from employment or from other sources, net of national insurance and tax. This will differ from household income to the extent that full-time employees within the household are counted as separate persons, income from part-time employment is not covered and some household income, for example, child benefit may be attributed to a household member not in full-time employment.

† The proportion of persons in the survey who were full-time or part-time employees, self-employed, temporarily absent from work or out of a job. In 1982 the composition of the working population from the family expenditure survey was:

	Per cent.
Full-time employees	59
Part-time employees	20
Self employed	7
Employees temporarily absent	2
Out of a job	12
	100

Source: Family Expenditure Survey 1982.

Later information on the distribution of gross income from employment is available from table 1 of New Earnings Survey 1984, a copy of which is in the Library.

Wages Councils

Mr. Winnick asked the Secretary of State for Employment what representations he has received on the future of the wages councils.

Mr. Peter Bottomley: My right hon. Friend and I have received a number of representations on the future of the wages councils systems.

Newspaper Industry (Disputes)

Mr. Peter Bruinvels asked the Secretary of State for Employment what information he has as to the number of days lost through industrial action in 1984 and to date in 1985 in the newspaper industry; and how these figures compare with each of the past five years.

Mr. Peter Bottomley: The information is as follows:

Working days lost in the newspaper industry

	Numbers
1979	640,000
1980	128,000
1981	13,000
1982	15,000
1983	30,000
1984	*27,000
†1985	*21,000

* Provisional estimate.
† January to March.

Mr. Bruinvels asked the Secretary of State for Employment if he will detail in the *Official Report* all stoppages as a result of industrial disputes, and the national papers concerned, as notified to his Department during 1984 and to date in 1985.

Mr. Peter Bottomley: The following stoppages as a result of industrial disputes involving national newspapers have been recorded.

Newspaper	*Dates of dispute*	
	Start	*End*
1984		
The Times	13 January	1 February
The Observer	26 May	26 May
Financial Times	5 July	5 July
The Guardian	9 July	9 July
The Sun	13 July	28 July
Daily Telegraph	11 October	11 October
1985		
Daily Mail	31 January	8 February
The Guardian	11 February	11 February
Morning Star	16 February	16 February
The Sun	18 March	26 March

Industrial Air Pollution Inspectors

Dr. David Clark asked the Secretary of State for Employment how many industrial air pollution inspectors, formerly alkali inspectors, were in post in each year since 1979.

Mr. Peter Bottomley: The figures are:

Number of industrial air pollution (formerly alkali) inspectors in post at 1 January

	Number
1979	46
1980	48
1981	47
1982	46
1983	43
1984	40
1985	40

Training Programmes (Statistics)

Mr. Ashley asked the Secretary of State for Employment what percentage of *(a)* able-bodied and *(b)* disabled people completing training opportunities programmes gained employment within three months of completing their course in 1983-84.

Mr. Peter Morrison: The results of the follow-up surveys of those who completed occupational courses under the training opportunities scheme in 1983-84 indicate that about 60 per cent. of ex-trainees were in employment three months after the end of the course. I regret that separate figures for able-bodied and disabled ex-trainees are not available.

Wages Inspectorate

Mr. Meacher asked the Secretary of State for Employment whether he will publish, by region and sub-region, the latest breakdown of Wages Inspectorate staff, showing separately those who are outdoor inspectors, on an establishment and in post basis, and if he will also publish comparable figures for April 1979.

Mr. Peter Bottomley [*pursuant to his reply*, 4 April 1985, c. *782-84*]: I regret that two errors appeared when my previous reply was printed in the *Official Report*.

In the table at column 784, headed "Wages Inspectorate Staff", the figure for Midlands (W) under the heading

"January 1985 staff in post" should have been printed at 6½ and not 7½. The figure for Northern, under the heading "September 1979—Staff-in-post", should be 6

and not 6½.

Mr. Meacher asked the Secretary of State for Employment whether he will publish estimates for 1984 on *(a)* establishments covered by wages councils, *(b)* numbers of inspections and underpayments, *(c)* numbers of workers covered, together with figures on underpayment and arrears assessed and *(d)* a regional breakdown of wages council inquiries, in the same format as that used in the reply given on 4 June 1984, *Official Report*, columns 103-4, together with a breakdown of arrears assessed and arrears actually paid by wages council and region; and whether he will also indicate the number and regional location of cases of unerpayment where the employer was prosecuted, and where civil proceedings

were taken to recover arrears of wages.

Mr. Peter Bottomley [*pursuant to his reply*, 4 April 1985, c. *784-90*]: I regret that a number of errors appeared when my previous reply was printed in the *Official Report*.

At column 786, in the second table, the figure for retail bespoke tailoring, under the heading Scotland (East), should be 20 and not blank. The figure for licensed residential establishment and licensed restaurant, under the same heading, should be 2,434 and not 2,515. The figure for unlicensed place of refreshment, again under the same heading, should be 782 and not 282.

At column 788, in the third table, the figure for London East, under the heading establishments visited, should

SOCIAL SERVICES

NHS (Leaflet)

Mr. Galley asked the Secretary of State for Social Services what are the arrangements for distribution of the recent leaflet on the National Health Service based on the annual report on the Health Service in England and published by his Department; and how individuals and organisations may obtain copies.

Mr. John Patten: Local distribution of copies of the leaflet within the Health Service was arranged by health authorities. Individuals and organisations may obtain copies free of charge from:

DHSS Store
Health Publications Unit
No. 2 Site
Manchester Road
HEYWOOD
Lancashire
OL19 2BZ

Supplementary Benefit

Mr. Deakins asked the Secretary of State for Social Services how many additional people are receiving supplementary benefit as a result of the real increase in scale rates since 1979.

Mr. Whitney: I regret that the information requested by the hon. Member could be obtained only at disproportionate cost.

Solvent Abuse

Mr. Irving asked the Secretary of State for Social Services if he has commissioned any special studies into the nature of solvent abuse and the treatment and rehabilitation of those mis-using solvents.

Mr. John Patten: We are funding three studies into solvent misuse. One project being carried out under the direction of Professor R. H. Anderson of the department of clinical epidemiology and social medicine, St. George's hospital medical school, is investigating the effects of various teenage activities, including solvent misuse, on their health and educational performance. We are also funding a data-collecting exercise to ascertain the numbers and causes of deaths from solvent misuse in the United Kingdom. Another small-scale exercise is being carried out by Ms. B. Levey at the Brighton drug dependency unit. Its purpose is to locate and describe the local population of substance misusers and to estimate the prevalence of misuse.

Community Care

Mr. Irving asked the Secretary of State for Social Services if he intends to publish a White Paper in response to the Second Report of the Social Services Committee, Session 1984-85, on community care; and if he will make a statement.

Mr. John Patten: We are still considering our response. The aim is to publish the response in May.

Charter for Children in Hospital

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services what response he is making to the "Charter for Children in Hospital" produced by the National Association for the Welfare of Children in Hospital, a copy of which has been sent to him; and if he will make a statement.

Mr. John Patten: We welcome this charter which reflects very well the principles underlying longstanding policies on the care of children in hospital. We recognise the considerable efforts the National Association for the Welfare Children in Hospital has put into agreeing the terms of the charter with the different professional groups concerned. We believe the charter will assist parents and staff to keep the best interests of children foremost in their minds.

Domestic Accidents (Statistics)

Mr. Ron Brown asked the Secretary of State for Social Services how many people died from burns as a result of home accidents in the United Kingdom during 1984.

Mr. John Patten: Information for the United Kingdom is not available in the exact form requested. However, the provisional number of deaths from accidents in the home caused by fire and flames (ICD(9) E890-E899), by explosive material (ICD(9)E923) and by hot substance or object, caustic or corrosive material and steam (ICD(9)E924) in the United Kingdom during 1984 is 850.

Family Holiday Association (Exhibition)

Mr. Peter Thomas asked the Secretary of State for Social Services if he will arrange for an exhibition relating to the Family Holiday Association to be displayed in the Upper Waiting Hall.

Mr. Newton: I understand that arrangements have been made with the authorities of the House for the exhibition to be held in the Upper Waiting Hall from 7 to 10 May 1985.

Family Income Supplement

Mrs. Dunwoody asked the Secretary of State for Social Services what information he has as to the number of people in the county of Cheshire who are in receipt of family income supplement whilst in full-time employment in the Civil Service; and what Departments they are at present employed in.

Mr. Whitney: I regret that the information is not available. Family income supplement claims are dealt with by one centre at Blackpool; no information is maintained about claims from particular local areas and civil servants are included for statistical purposes in a broad occupational group which includes clerical and office workers, administrators, social, professional and technical workers.

Deaf Blind People

Mr. Alfred Morris asked the Secretary of State for Social Services (1) how many people identified as being deaf and blind have additional disabilities; and if he will list the resources and special facilities provided to meet their needs;

(2) how many deaf and blind children there are of school age.

Mr. Newton: Information is not centrally available in the form requested. However, the Department's publication "Registered Blind and Partially Sighted Persons at 31 March 1982 (England)" contains information by age band, on people registered blind with additional handicap, including hearing impairments. A copy is in the Library.

The provision of services for disabled people is primarily a responsibility of health and local authorities. The Department does not routinely collect specific information about resources and facilities provided for particular client groups such as those who are deaf-blind.

The work of voluntary organisations with deaf-blind people is of particular importance, and last year the Department gave grants totalling £35,754 towards voluntary activities in this field.

Mental Handicap Registers

Mr. Alfred Morris asked the Secretary of State for Social Services how many and which health authorities have instituted, or are planning, mental handicap registers; and what guidelines are provided for their design, scope and function.

Mr. John Patten: The Department does not collect information on the number of mental handicap registers. However, the replies to a letter sent to authorities in 1983 as part of an Economic and Social Research Council funded survey of registers showed that 54 health authorities (and 44 social services departments) in England and Wales had registers and a further 96 health authorities (and 45 social services departments) were involved in planning them.* The Department has not issued guidelines on the design, scope or function of registers and has taken the view that these are matters for local decision. On its visits to individual authorities the National Development Team for Mentally Handicapped People encourages the establishment and proper maintenance of registers and, if appropriate, includes advice on these matters in its reports to authorities. We are considering the recommendation in the recently published report of the Social Services Committee on community care with special reference to adult mentally ill and mentally handicapped people that local and health authorities should be encouraged by the Department to develop together appropriate registers of mentally disabled people.

* Report of a National Survey of Registers of Mentally Handicapped People, by J. E. Cubbon and N. A. Malin, published April 1985 and available from Sheffield City Polytechnic.

Child Benefit

Mr. Wilson asked the Secretary of State for Social Services how many updated child benefit books in Dundee, East and West areas have still to be issued by the child benefit centre following the recent industrial action.

Mr. Whitney: There is no record of the geographical distribution of beneficiaries awaiting replacement child benefit order books. The issue of replacement books is rapidly returning to normal after the recent industrial action.

Life Expectancy

Mr. Barry Jones asked the Secretary of State for Social Services what is the current average life expectancy at birth for women and men in *(a)* Mid Glamorgan, *(b)* Wales and *(c)* England.

Mr. John Patten: The most recent available estimates of the expectation of life for England and Wales separately are based on mortality data for 1977 and are as follows:

Expectation of Life at Birth

	Males	*Females*
England	70·0	76·0
Wales	69·0	74·9

Separate figures for Mid Glamorgan are not available. More recent estimates for England and Wales separately are due to be calculated later this year.

Mortality Statistics

Mr. Barry Jones asked the Secretary of State for Social Services how many people on average have died *(a)* before the age of 60 years and *(b)* at 60 years and above of chest-related illnesses in: (i) England and (ii) Wales, in each year since 1979.

Mr. John Pattern: I shall let the hon. Member have a reply as soon as possible.

Drug Testing

Mr. Ashley asked the Secretary of State for Social Services when he expects to issue the revised guidance from the Royal College of Physicians and the Association

of British Pharmaceutical Industries relating to the testing of drugs on healthy volunteers; how often the working group on this matter has met; from whom it sought evidence; and what was the representation of each body on the working group.

Mr. Kenneth Clarke: The Royal College of Physicians set up a working party on medical research on healthy volunteers in 1984. I am informed by the college that it hopes to publish the working party's report as guidance to the profession in the autumn. I understand that the working party has meet nine times so far and has taken written evidence from many sources as well as oral evidence from professors of clinical pharmacology and toxicology and from representatives of the pharmaceutical industry; clinical research units; the Trades Union Congress; the Faculty of Occupational Medicine; the National Union of Students; the Health and Safety Executive; and our Department's medicines division. The working party is chaired by Sir Raymond Hoffenberg, President of the Royal College of Physicians. It consists of members and fellows of the Royal College, including a representative of the Association of British Pharmaceutical Industry; a lawyer; the Chairman of the Patients' Association; and an observer representing the Medical Research Council. When the revised professional guidance is available, we shall consider carefully, in the light of advice from the Medicines Commission on it, what our attitude should be.

Mr. Ashley asked the Secretary of State for Social Services (1) what information he has as to the number of deaths or serious side-effects that have occurred in each of the last five years amongst healthy volunteers taking part in the testing of drugs by the pharmaceutical industry;

(2) what information he has as to the number of healthy volunteers in each of the last five years who have taken part in the testing of new drugs by the pharmaceutical industry.

Mr. Kenneth Clarke: We do not collect this information.

Mr. Ashley asked the Secretary of State for Social Services to what extent his Department's guidelines on drug testing require pharmaceutical companies to test drugs on animals before tests using healthy human volunteers are conducted; and if he will make a statement.

Mr. Kenneth Clarke: Our Department's guidelines on drug testing apply only to medicines for patients and not to tests on healthy human volunteers.

Mr. Ashley asked the Secretary of State for Social Services if he will seek powers to require drug companies testing new drugs on healthy volunteers to report adverse reactions to his Department; and if he will take steps to ensure that these reactions and those suffered by patients taking part in clinical trials are included in the register of adverse reactions.

Mr. Kenneth Clarke: I have nothing to add to my replies to the right hon. Member on 12 June and 26 June 1984 at columns *416* and *462*.

Heart Disease

Mr. Barry Jones asked the Secretary of State for Social Services how many people die of heart disease in *(a)* Wales and *(b)* England per 1,000 population.

Mr. John Patten: The information is shown in the table.

Crude mortality rate per 1,000 population all ages for heart disease (ICD (9th rev.) 393-429) for (a) Wales (b) England, males and females 1984

	Rate	
	Males	*Females*
Wales	4·56	3·64
England	4·08	3·40

Health Statistics

Mr. Barry Jones asked the Secretary of State for Social Services what is the ratio of *(a)* hospital beds and *(b)* qualified nurses per head of population in (i) Wales and (ii) England.

Mr. Kenneth Clarke: In 1983, the latest year for which information is available, there were on average 7·3 beds available daily in National Health Service hospitals per thousand population in England and 8 in Wales. On 30 September 1983 there were 4·77 qualified nursing and midwifery staff (excluding agency staff) whole-time equivalent per thousand population in England and 5·35 in Wales.

Cervical Cancer

Mr. Oakes asked the Secretary of State for Social Services (1) if he will estimate the cost of computerising the cervical cancer smear test scheme for the whole of the United Kingdom;

(2) how many and which area health authorities have proposed to install computerised cervical cancer smear test scheme; and how many and in which areas such schemes have been approved.

Mr. Kenneth Clarke [*pursuant to his reply,* 15 April 1985, c. *89*]: My right hon. Friends the Secretaries of State are responsible for cervical cancer screening in Wales, Scotland and Northern Ireland.

In England, district health authorities are responsible for cervical cancer screening programmes. These can be carried out in a number of ways, with or without a computer, and we hold central records only of the number of family practitioner committees using computers for cervical cytology recall or call as an agency arrangement for district health authorities. The following 37 FPCs—corresponding in area to 79 district health authorities—are known to be using computers for this purpose now or to have firm plans to do so. Other district health authorities may be using computers based at laboratories for recall schemes.

The cost of installing computers and record conversion to operate cervical cytology recall and call in all remaining FPCs in England would be around £4 million. This figure does not include operational costs, including the costs of taking cervical smears, examining them and follow-up action. I refer the right hon. Member to my reply to my hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox) on 29 April for the action we are asking district health authorities to take on cervical screening.

FPCs in England known to be using computers for cervical cytology call or recall or with firm plans to do so

Avon	Bromley
Barking and Havering	Buckinghamshire
Bedfordshire	Calderdale

Cleveland
Cornwall and Isles of Scilly
Coventry
Croydon
Derbyshire
Devon
Dorset
Durham
Gloucestershire
Hampshire
Hereford and Worcester
Isle of Wight
Kent
Kirklees
Leicestershire
Liverpool
Manchester
Norfolk
North Tyneside
Northamtonshire
Northumberland
Nottinghamshire
Rochdale
Rotherham
Sandwell
Staffordshire
Stockport
Suffolk
Warwickshire
Wigan
Wiltshire

Social Workers

Mr. Nicholas Winterton asked the Secretary of State for Social Services (1) what consultations he is having with local authorities and the Central Counil for Education and Training in Social Work concerning proposals to revise the system of training and assessment of approved social workers as defined by the Mental Health Act 1983;

(2) if he will undertake to provide additional funds for any extra training or assessment costs falling upon local authorities or the Central Council for Education and Training in Social Work arising from the revised system of training approved social workers which takes account of problems resulting from the current industrial action;

(3) what is his estimate of the expenditure incurred by local authorities in training approved social workers under the Mental Health Act 1983.

Mr. John Patten [*pursuant to his reply*, 16 April 1985 c. *162*]: While we are not currently consulting on proposals to revise the training and assessment of approved social workers (ASWs), we are keeping in close touch with the Central Council for Education and Training in Social Work (CCETSW) and the local authority associations on the recommendations made in the joint working party's report last year. We hope that the integrated training and assessment system recommended in that report will be implemented successfully.

We do not collect information centrally on which to base an estimate of local authorities' expenditure on the training of ASWs. This training is part of authorities' normal programmes which have always been adjusted to cover detailed changes in services. The 1983 Act did not represent new duties for LAs, and authorities that were meeting properly their responsibilities under the previous legislation need not have incurred any significant increase in their costs. Any net additional expenditure would in any case have been covered by the provision in the 1983-84 rate support grant settlement to reflect new initiatives and pressures on the personal social services.

We have already increased the CCETSW budget in recent years because of the additional work load created by the ASW provisions. The increase allowed for spending of up to £200,000 in 1983-84, and £300,000 in each of 1984-85 and 1985-86. We shall continue to make any necessary additional financial support available to the council during the introduction of the new training arrangements.

Health and Personal Social Services

Mr. Meacher asked the Secretary of State for Social Services why "Health and Personal Social Services Statistics for England" was not published in 1979, 1980, 1981, 1983 or 1984 and if there are any plans to publish it in 1985 or subsequent years.

Mr. John Patten [*pursuant to his reply*, 25 April 1985 c. *557*]: The 1978 edition of "Health and Personal Social Services Statistics for England" was published in 1980. Subsequently, the publication was put on an ad hoc, rather than annual, basis and a volume was published in 1982. The possibility of further publications in this series is under consideration. The formal volumes of statistics produced by the Department have recently been complemented by the introduction of "Statistical Bulletins," four of which have been published to date. These allow a particular topic area to be covered in greater depth than is practicable in a volume of statistics such as "Health and Personal Social Services Statistics".

DEFENCE

Falkland Islands

14. **Mr. Foulkes** asked the Secretary of State for Defence what is the latest estimate available to him for the cost of the Falklands operations to be met by his Department for 1985-86 and 1986-87, respectively.

Mr. Stanley: Our latest estimate of costs is in line with the provision of £552 million and £450 million respectively, which was announced in "The Government's Expenditure Plans for 1985-86 to 1987-88" — (Cmnd. 9428).

27. **Mr. Greenway** asked the Secretary of State for Defence how long the Falklands airport took to build; at what cost to his Department's budget; what will be its principal military functions; and if he will make a statement.

42. **Mr. Dalyell** asked the Secretary of State for Defence if he will make a statement concerning the most recent increase in the cost to his Department of Mount Pleasant airfield.

Mr. Stanley: Construction of the Mount Pleasant airport and associated facilities began on 31 December 1983, six months after the instruction to proceed was given to the contractors. The main runway has now been completed and we will start to make limited use of it in May. The remaining airport facilities will be ready for use by about February 1986. The further construction work at Mount Pleasant, which consists largely of facilities for the Army, should be complete in early 1987.

I am advised by my right hon. Friend the Secretary of State for the Environment that the latest cost for the airport is £276 million and that for the facilities for the Army at Mount Pleasant is £119 million.

The principal military functions of the airport will be to provide a base from which air defence and reconnaissance aircraft can operate as well as wide-bodied transport aircraft required for the rotation of the garrison, and, in emergency, for rapid reinforcement.

Greenham Common

16. **Mr. Andrew F. Bennett** asked the Secretary of State for Defence how many complaints he has received about American military personnel handcuffing British citizens at Greenham common.

Mr. Stanley: I am not aware of any such formal complaints having been received by my Department.

19. **Mr. Skinner** asked the Secretary of State for Defence if he is satisfied with the amenities provided for British forces guarding the base at Greenham Common.

Mr. Stanley: The conditions and amenities for the personnel at RAF Greenham Common are generally satisfactory. Personnel permanently stationed there are accommodated in quarters of the normal standard and have access to many of the US amenities on the base, including sports and recreational facilities. Those on short-term postings are housed in temporary accommodation of a reasonable standard. They have a range of amenities available to them as well as access to certain of the US facilities such as the gymnasium.

Indonesia

17. **Mr. Dubs** asked the Secretary of State for Defence if he will make a statement on Government policy regarding arms sales to Indonesia.

Mr. Lee: It has always been, and will remain, the Government's policy to exercise strict control over the sale of arms. Each potential sale is considered on its merits on a case by case basis. Any proposals to sell defence equipment to Indonesia, as with any other country, are subject to detailed examination before an export licence is granted.

Cruise Missiles

20. **Mr. Geraint Howells** asked the Secretary of State for Defence whether he is satisfied with the security of cruise missile convoys when on exercise.

Mr. Stanley: Yes, but security precautions always remain under review.

30. **Mr. Sedgemore** asked the Secretary of State for Defence whether he is satisfied with the security of ground-launched cruise missile bases.

Mr. Stanley: I refer the hon. Member to the reply I gave to the hon. Member for Liverpool, Garston (Mr. Loyden) earlier today.

43. **Mr. Hunter** asked the Secretary of State for Defence if he will make a statement on liaison between his Department and the police in relation to military exercises involving cruise missile convoys.

Mr. Stanley: There is a close and regular liaison between my Department and the police on such matters.

Strategic Defence Initiative

21. **Mrs. Clwyd** asked the Secretary of State for Defence whether he will make a statement on the implications of the strategic defence initiative for the deterrence theory on Her Majesty's Government's policy of deterrence.

24. **Mr. Meadowcroft** asked the Secretary of State for Defence what implications the strategic defence initiative has for the Government's reliance on the theory of deterrence.

Mr. Heseltine: As my right hon. Friend the Prime Minister made clear in the statement issued after her meeting with President Reagan on 22 December 1984, the overall aim of the strategic defence initiative is to enhance deterrence, the maintenance of which is central to the security of NATO.

26. **Mr. Nellist** asked the Secretary of State for Defence when he expects to be able to announce whether the United Kingdom intends to devote resources to research on a strategic defence initiative.

Mr. Heseltine: I refer the hon. Member to the answer given by my right hon. Friend the Minister of State for Defence Procurement to my hon. Friend the Member for Ynys Mon (Mr. Best) on 5 March 1985.

29. **Mr. Ashdown** asked the Secretary of State for Defence if, in considering his response to the invitation by the United States Government of participation by North Atlantic Treaty Organisation countries in the research programme for the strategic defence initiative, he will propose examination of the percentage of missiles destroyed which would be satisfactory.

Mr. Heseltine: This is a question for consideration in the longer term. The United States initiative relates to participation in a research programme only.

33. **Mr. Wainwright** asked the Secretary of State for Defence what implications the strategic defence initiative has for the Trident programme.

44. **Mr. Wareing** asked the Secretary of State for Defence if the strategic defence initiative will affect the Trident programme.

Mr. Heseltine: I refer the hon. Members to the answer I gave earlier today to the hon. Member for Houghton and Washington (Mr. Boyes).

35. **Mr. Norman Hogg** asked the Secretary of State for Defence what is his Department's present policy on the strategic defence initiative.

Mr. Heseltine: The Government's policy on the United States strategic defence initiative was set out in the statement issued by the Prime Minister following her meeting with President Reagan on 22 December 1984.

Mr. Strang asked the Secretary of State for Defence what discussions he has had with other European Governments about participating in the United States strategic defence initiative research programme; and if he will make a statement.

Mr. Heseltine: The Government are now considering a response to the invitation from the United States Secretary of Defence to indicate areas of research within the SDI programme in which the United Kingdom would be interested in participating. We are naturally in close touch with all our allies on all aspects of this important subject. Most recently, the subject was discussed at the WEU ministerial meeting in Bonn. A copy of the communiqué from that meeting is in the Library of House.

Nuclear Warheads

22. **Mr. Janner** asked the Secretary of State for Defence what is the average safe shelf life of British nuclear warheads.

Mr. Butler: British nuclear warheads are designed to be safe and serviceable. Their planned withdrawal from service for inspection and periodic maintenance ensures that this aim is met.

Privatisation

23. **Mr. Thurnham** asked the Secretary of State for Defence what are the current estimated savings by his Department for 1984-85 as a result of privatisation schemes.

Mr. Butler: No private capital has been introduced during the year into any organisation which is the responsibility of my Department. However, the royal ordnance factories were established as a public limited company from the beginning of this year and privatisation is planned to take place in due course; the options for the royal dockyards at Devonport and Rosyth are still under consideration, as was announced in the House on 17 April.

Advertising and Recruiting Costs

25. **Mr. Chapman** asked the Secretary of State for Defence what are, and if he is satisfied with, the proportions of the costs of his Department relating to tri-service and individual service advertising and recruiting.

Mr. Lee: Recruiting costs, including advertising, are financed on a single service basis. However expenditure on service recruiting for the financial year 1983-84 totalled £44·6 million at outturn prices. Advertising and publicity costs made up some £9 million of this total, or about 20 per cent. of the recruiting budget. Estimated total expenditure on recruiting for financial year 1984-85 at outturn prices is £48·5 million, of which about £12·6 million was spent on advertising and publicity or 26 per cent. of the recruiting budget.

Tornado Aircraft

28. **Mr. Sackville** asked the Secretary of State for Defence if he will make a statement about future orders for Tornado.

Mr. Butler: My Department is currently considering the number and timing of any further orders and a decision should be taken in the next few months. There are a number of export prospects and the Government will continue to support the efforts of British Aerospace in pursuing these.

Royal Navy

31. **Sir David Price** asked the Secretary of State for Defence whether he is satisfied that his current replacement and new ordering programme is large enough to ensure that the Royal Navy has a minimum of 50 frigates and destroyers in the front line, as envisaged in the 1984 White Paper (Cmnd. 9227).

Mr. Lee: I can confirm that ordering arrangements for new ships will be related to the Government's aim to maintain a force level of about 50 front line destroyers and frigates in the longer term as stated in Cmnd. 9227.

Ulster Defence Regiment

32. **Sir John Biggs-Davison** asked the Secretary of State for Defence if he will make a statement about discipline and morale in the Ulster Defence Regiment.

Mr. Stanley: The same high standards of discipline are set in the Ulster Defence Regiment as in any other regiment of the British Army. The morale of the Ulster Defence Regiment is high.

RAF Upper Heyford (Noise Tests)

34. **Mr. Baldry** asked the Secretary of State for Defence if he will make sufficient staff time available to enable the Royal Air Force Institute of Community Medicine to publish as quickly as possible the results of the recent noise tests at RAF Upper Heyford.

Mr. Lee: Yes.

Wessex and Puma Helicopters

36. **Mr. Colvin** asked the Secretary of State for Defence when he will award the contract for the replacement of the Royal Air Force Wessex and Puma helicopters, air staff target 404.

Mr. Butler: As I said in my reply to my hon. Friend the Member for Wells (Mr. Heathcoat-Amory) on 26 March 1985 at column 207, the Army's requirement for a light support helicopter is being reviewed, and decisions on AST 404 will remain in abeyance until the review is complete.

Overseas Allowances

37. **Mr. McNamara** asked the Secretary of State for Defence (1) if he will make a statement concerning cuts in service allowances for personnel serving overseas;

(2) if he will make a statement concerning cuts in the living allowance for overseas service men.

Mr. Stanley: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) earlier today.

Nuclear Weapons

38. **Mr. Norman Atkinson** asked the Secretary of State for Defence why information about the numbers of nuclear weapons held by Britain is not published.

Mr. Stanley: Some information about the nuclear capabilities of British defence forces is published. For example, I refer the hon. Member to chapter 4 (paragraphs 402-406) of the 1984 Statement on the Defence Estimates. However, successive Governments have declined, for reasons of security, to give details of numbers of warheads.

Falkland Islands (Air Service Contract)

39. **Mr. Hardy** asked the Secretary of State for Defence whether British Airways has now been awarded the contract for conveying service personnel to the Falkland Islands.

Mr. Stanley: I cannot at present add to the reply that I gave to the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) on 17 April at columns 211-12.

Defence Equipment

40. **Mr. Shersby** asked the Secretary of State for Defence what is his policy for ensuring better control of stocks of defence equipment held by his Department and of contracts for the supply of new and replacement stocks.

Mr. Lee: My Department has in hand a comprehensive appraisal of the levels and methods by which stockholdings are determined and various improvements, to an already very carefully controlled area, have been

recommended. These improvements will involve refinements to costing techniques using through-life costing principles, refinement of ADP systems, increased use of direct supply, further rationalisation and the introduction of executive responsibility budgets.

RAF Molesworth

41. **Dr. Mawhinney** asked the Secretary of State for Defence how many people have been arrested by military police for damaging the fence surrounding RAF Molesworth.

Mr. Stanley: Up to midnight on 18/19 April, 106 people had been arrested by the Ministry of Defence police at RAF Molesworth for criminal damage. Of those arrested, 81 have so far been charged; all of these charges are in respect of damage to the perimeter fence.

Arms Manufacturers

Mr. McNamara asked the Secretary of State for Defence if he will make a statement concerning his recent discussions with arms manufacturers in Europe.

Mr Butler: Apart from his regular and continuing discussions with British industry, my right hon. Friend's only recent discussions with representatives of European defence industries have been with Dassault and on these I have nothing to add to the answer he gave earlier today to the hon. Member for Preston (Mr. Thorne).

Defence Establishment, Shoeburyness (Contracts)

Mr.Teddy Taylor asked the Secretary of State for Defence if he will make a statement on the implications of putting contracts out to tender at the defence establishment at Shoeburyness following the official visit by the Under-Secretary of State on 28 March.

Mr Lee: We have invited tenders to carry out at the proof and experimental establishment, Shoeburyness, the support functions listed in my answer to my hon. Friend on 15 November 1984 at column *344*. The implications of an acceptable response is that these support functions, which are currently carried out by civil service and military personnel, will be undertaken by a contractor from 1 April 1986. By this means we expect to maintain and enhance the efficiency of the establishment and the effectiveness of its support to the defence procurement programme and at the same time release military staff for active duty elsewhere.

Army Regimental Pay and Manning and Record Offices

Mr. Gregory asked the Secretary of State for Defence if he has plans to disperse the Army regimental pay and manning and record offices on to two sites.

Mr. Butler: Yes; Government proposals to concentrate these offices on to two sites at Glasgow and Leicester have been the subject of consultation with interested parties for some three months.

Mr. Gregory asked the Secretary of State for Defence for what reason the co-located offices in Imphal barracks, York, have been excluded from consideration as one of the sites for the relocated Army regimental pay and manning and record offices.

Mr. Butler: Imphal barracks, York, was not excluded. It was covered by the PSA survey of sites but was considered to be less suitable than other sites available.

Mr. Gregory asked the Secretary of State for Defence what is the estimated minimum cost of the required new building at Leicester if the Army regimental pay and manning and record offices are re-located there and at Glasgow.

Mr. Butler: Between £5 million and £6 million.

Mr. Gregory asked the Secretary of State for Defence if he will estimate the sale value of the Leicester site currently used for Army regimental pay and manning and record purposes.

Mr. Butler: About £700,000.

Mr. Gregory asked the Secretary of State for Defence how many redundancies would occur from the York Army regimental pay and manning and record offices establishment in York if the proposals in his consultation document were implemented without amendment; if he will categorise them; what cost would be involved; and if he will make a statement.

Mr. Butler: It is not possible at this stage to say what the position would be in regard to redundancies amongst staff at any particular site that might be vacated, including York. There are a number of pre-redundancy measures that my Department would take in an effort to minimise any need for compulsory redundancies.

Mr. Gregory asked the Secretary of State for Defence what additional sites were considered in York, and what estimates were made of their respective costs, prior to the issue of the consultation document on the Army regimental pay and manning and record offices' relocation.

Mr. Butler: Only Imphal barracks which is an existing MRO/RPO site was considered in York. There are no alternative Ministry of Defence sites available in York that would be suitable.

Mr. Gregory asked the Secretary of State for Defence if he will reconsider York as one of the relocated Army regimental pay and manning and record offices; and if he will make a statement.

Mr. Butler: I refer the hon. Member to the reply given by my hon. Friend to the hon. Member for Kingston upon Hull, North (Mr. McNamara) on 25 April at column 519.

Mr. Gregory asked the Secretary of State for Defence what representations he has received advocating the retention of York as one of the relocated sites of the Army regimental pay and manning and record offices; what response he has made; and if he will make a statement.

Mr. Butler: I have received a delegation led by the hon. Member in addition to a number of letters from interested parties. These are being evaluated and I hope to be able to make an announcement about the Government's plans for the pay, manning and record offices by the end of May or early June.

Imphal Barracks, York

Mr. Gregory asked the Secretary of State for Defence if he has decided to use surplus office accommodation within Imphal barracks, York, by an infantry division; and if he will make a statement.

Mr. Butler: A final decision has yet to be taken by Ministers on the proposals to relocate the Army manning and record and pay offices. All reasonable and sensible alternative uses for those sites vacated will be considered.

Armed Forces (Pay and Allowances)

Mr. Speller asked the Secretary of State for Defence if he will list the basic pay and allowances of a soldier in the Devonshire and Dorset Regiment holding the rank of major, lieutenant, sergeant or private while stationed in either Northern Ireland, England, West Germany or Gibraltar.

Mr. Lee: The information is given in the following two tables for the ranks of personnel requested. Basic pay is the same wherever soldiers serve. The figures for pay quoted are the maximum and minimum daily rates of pay for male officers and soldiers. The maximum rates for soldiers include the highest level of length of service increment payable. In addition, personnel serving in Northern Ireland receive Northern Ireland pay, which is £2·15 per day for all ranks.

Table 1

	£ per day	
	Maximum	*Minimum*
Major	46·89	39·13
Lieutenant	27·27	24·67
Sergeant	29·35	22·91
Private	21·52	12·87

Most allowances payable to Service personnel vary according to their personal circumstances and are not determined by where they are serving. Local overseas allowance is, however, and the second table shows the daily rate payable for the ranks requested on 29 April 1985. The allowance is paid in pounds sterling and may vary with exchange rates. West Berlin has also been included.

Table 2

	Major	*L'tenant*	*Sergeant*	*Private*
Germany (excluding Berlin)				
Single	3·91	2·30	2·27	1·47
Married plus one child	7·44	5·66	5·50	4·21
Germany (including Berlin) from 1 August 1985*				
Single	1·95	1·19	0·78	0·56
Married plus one child	6·37	4·89	5·16	4·01
Berlin				
Single	3·73	2·35	2·20	1·48
Married plus one child	7·14	5·31	5·07	3·80
Gibraltar				
Single	Nil	Nil	Nil	Nil
Married plus one child	6·47	5·33	4·79	4·21

* Rates to be implemented from 1 August 1985 may change with exchange rate variations.

Lance Weapon

Mr. Best asked the Secretary of State for Defence if he will make a statement about the development of Lance as a conventional weapon.

Mr. Butler: Lance is an American weapon, which may be used with either a nuclear or a conventional warhead. The United Kingdom has no plans to develop or use the weapon in its conventional role.

Nimrod Aircraft

Mr. Latham asked the Secretary of State for Defence whether he will make a statement on the development of the Nimrod aircraft.

Mr. Butler: Development work is continuing. We are still investigating various options for the further work necessary to bring the project to completion.

Written Answers to Questions

Wednesday 1 May 1985

HOUSE OF COMMONS

Sittings of the House

Mr. Peter Bruinvels asked the Lord Privy Seal how much time, expressed both as hours and as a percentage of the total time for which the House sat in the Session, was spent in each of the last 10 Sessions on *(a)* Government business (broken down between Bills, statutory instruments, European Community business and other motions) and *(b)* private Members' business (broken down between Bills, motions and other business, including half-hour Adjournment debates).

Mr. Biffen: For the four Sessions 1980-81 to 1983-84 inclusive, the information is as follows:

	1980-81		*1981-82*		*1982-83*		*1983-84*	
	Hours	*Per cent.*	*Hours*	*Per cent.*	*Hours*	*Per cent.*	*Hours*	*Per cent.*
Government Business								
Bills*	469	32	456	30	243	25	555	29
Statutory Instruments†	89	6	108	7	81	8	166	9
European Community business	43	3	17	1	14	1	51	3
Other motions	192	13	215	14	179	18	281	15
Private Members' Business								
Bills	59	4	56	4	45	5	57	3
Motions	63	4	63	4	54	5	93	5
Other business‡	156	11	162	11	113	11	220	11

* Other than Consolidated Fund Bills.
† Affirmative motions.
‡ Including half-hour adjournments, holiday adjournments and Consolidated Fund Bills, etc.

Similar information for earlier Sessions is not readily available and could be provided only at disproportionate cost.

My hon. Friend may wish to note the following passage from page 304 of the 20th edition of "Erskine May":

"In a sense all Government time is equally Opposition time, and the Opposition's use of the multifarious opportunities available to it for influencing the way in which the proceedings of the House in Government time are conducted is thus of the first importance in the distribution of the time available for business in any session. No valid purpose is therefore served by the computation, based (as it inevitably would be) on a number of highly artificial assumptions, of a figure showing the total amount of 'Opposition time' in a session.

Similar considerations apply to private Members' time. Although specific time is allotted to private Members in every session (see page 294), and although numerous instances occur in Government time in which the matter under debate is in practice raised by a private Member, private Members also retain the right to intervene at any juncture during the discussion of public business. This right is exercised daily by private Members in all quarters of the House."

Mr. Peter Bruinvels asked the Lord Privy Seal how many days the House has sat in each of the past 10 parliamentary sessions.

Mr. Biffen: The information requested is as follows:

	Days
1974-75	198
1975-76	191
1976-77	149
1977-78	169
1978-79	86
1979-80	244
1980-81	163
1981-82	174
1982-83	115
1983-84	213

Divisions

Mr. Peter Bruinvels asked the Lord Privy Seal if he will publish in the *Official Report* the total number of Divisions in each parliamentary Session since 1955, the average duration of a Division, the longest duration of a Division and also the longest continuous run of Divisions at any one sitting in each Session.

Mr. Biffen: The information on the total number of Divisions in each parliamentary Session since 1955 is as follows. The information requested in the rest of the hon. Gentleman's question is not held centrally and could be obtained only at disproportionate cost.

	Number
1955-56	298
1956-57	180
1957-58	206
1958-59	177
1959-60	156
1960-61	269
1961-62	261

	Number
1962-63	183
1963-64	148
1964-65	276
1965-66	39
1966-67	496
1967-68	312
1968-69	352
1969-70	132
1970-71	480
1971-72	352
1972-73	224
1973-74	47
1974	109
1974-75	205
1975-76	432
1976-77	234
1977-78	324
1978-79	110
1979-80	500
1980-81	317
1981-82	332
1982-83	146
1983-84	482

Parliamentary Questions

Mr. Peter Bruinvels asked the Lord Privy Seal how many *(a)* oral and *(b)* written questions appeared on the Order Paper in each of the last 10 Sessions.

Mr. Biffen: The number of questions that appeared on the Order Paper in each of the last 10 Sessions is as follows:

	Oral	Written
1974-75	9,368	27,284
1975-76	9,538	31,922
1976-77	6,941	24,328
1977-78	9,046	28,739
1978-79	4,699	13,152
1979-80	12,453	39,912
1980-81	8,175	22,688
1981-82	8,991	23,439
1982-83	6,125	17,095
1983-84	13,386	40,119
*1984-85	8,917	19,451

* Up to and including 26 April.

Departmental Committees of Inquiry

Mr. Eggar asked the Lord Privy Seal how many departmental committees of inquiry the Leader of the House and his predecessors have established since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Biffen: As Leader of the House I have no departmental responsibilities.

ATTORNEY-GENERAL

Enforcement of Judgments Office

Mr. J. Enoch Powell asked the Attorney-General if, in relation to the Enforcement of Judgments Office, Northern Ireland, he will state, for the latest five convenient 12-month periods, the average case load in hand and the average length of time to execution of enforcement.

The Attorney-General: This information is not available and could be obtained only by disproportionate expenditure of resources, but some indication of the workload of the office may be obtained from the figure for new applications received:

	Number
1980	6,643
1981	7,532
1982	7,390
1983	5,018
1984	8,520

Juvenile Courts

Mrs. Renée Short asked the Attorney-General what consideration has been given to encouraging greater specialisation among magistrates in juvenile court work, as referred to in the Government reply to the second report of the Social Services Committee, Session 1983-84, Cmnd. 9298.

The Attorney-General: The Lord Chancellor has in mind changes affecting the advisory committee on the training of magistrates, and when these have been made consideration will be given to the question of encouraging greater specialisation in juvenile court work.

Family Courts

Mrs. Renée Short asked the Attorney-General what progress has been made in setting up a conciliation project unit to monitor the costs and effectiveness of conciliation services; and whether Her Majesty's Government are continuing to fund the Bristol family courts' conciliation scheme.

The Attorney-General: The Lord Chancellor announced on 8 February that he had selected a team from the University of Newcastle-upon-Tyne to be the conciliation project unit. It will begin work in September.

The Lord Chancellor is continuing to provide funding for the Bristol courts family conciliation service on an interim basis until the unit is in a position to decide whether or not to select that service as one of the schemes it wishes to monitor.

Mrs. Renée Short asked the Attorney-General how many representations he has received, and from what sources, on setting up family courts; and if he will make a statement.

The Attorney-General: Many such representations have been received from interested individuals and bodies including the Law Society, the Magistrates' Association, the British Association of Social Workers, the Association of County Councils and others. I would also refer the hon. Member to my reply to the hon. Member for Knowsley, North (Mr. Kilroy-Silk) on 4 April, at column 716.

Medical Negligence

Mr. Michael McNair-Wilson asked the Attorney-General what information he has as to the amount paid out in legal aid in cases involving alleged medical negligence by health authorities in each of the last three years.

The Attorney-General: Information is not available in the form requested. The statistics kept of legal aid granted

in medical negligence cases are not broken down by type of defendant. The gross cost to the legal aid fund of medical negligence cases, including those involving alleged medical negligence by health authorities, was as follows:

	£
1982-83	879,118
1983-84	1,048,506
1984-85	1,450,479

The above figures take no account of sums recovered by way of contributions or the statutory charge or by way of costs recovered from unassisted losing parties.

DEFENCE

British War Widows and Associates

Mr. Alfred Morris asked the Secretary of State for Defence what recent representations he has received from the honorary president and secretary of British War Widows and Associates; what reply he is sending; if there is any action he will be taking; and if he will make a statement.

Mr. Lee: My right hon. Friend the Secretary of State for Defence has received a letter direct from Mrs Strange, the honorary president and secretary of the British War Widows and Associates, and also through the hon. Member for Macclesfield (Mr. Winterton) making certain allegations about the way in which the Royal British Legion is administering a recently introduced Government sponsored scheme to help finance visits by war widows to their husbands graves overseas.

The Royal British Legion has been consulted on the allegations made and, on the evidence available, I consider them to be without foundation. No action is therefore proposed as a consequence of Mrs Strange's allegations, and my noble Friend the Under-Secretary of State for the Armed forces will be replying to this effect in the near future.

Exercise Lean Look

Mr. Budgen asked the Secretary of State for Defence whether Exercise Lean Look is now complete; and if he will announce the results of the study.

Mr. Heseltine: Exercise Lean Look was launched with the aim of identifying 4,000 military manpower savings in the Army's support area, to allow enhancements to the front line. The exercise has been successfully concluded. Details are contained in Defence Open Government Document 85/03, which is published today and which has been placed in the Library.

EDUCATION AND SCIENCE

Educational Maintenance Allowance

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what would be the cost of providing an educational maintenance allowance of £25 per week, 52 weeks per year, to all those aged 16 and 17-year-old in full-time education in England, including those in colleges of further education, and taking into account savings in child benefit and any existing educational maintenance allowances.

Sir Keith Joseph: I refer the hon. Member to my answer of 4 December 1984 at c.89 to the hon. Member for Wigan (Mr. Stott).

HOME DEPARTMENT

Crime Statistics

Mr. John Fraser asked the Secretary of State for the Home Department what information he has regarding the level of crime in inner city partnership areas; and how these figures compare with average levels of crime in England and Wales.

Mr. Mellor: The information available relates to those offences recorded by the police. Statistics of notifiable offences recorded by the police, other than those for the Metropolitan police district, are available centrally only by police force area. They are published annually in "Criminal Statistics, England and Wales" (Table 2.6 of the volume for 1983, Cmnd. 9349). The four inner city partnership areas outside the Metropolitan police district each form only a part of the police force area in which they are contained. The available information for the relevant police force areas and districts within the Metropolitan police district are given in the following table. The offences were not necessarily committed by or against residents of the area or district.

Notifiable offences recorded by the police per 100,000 population 1984

Inner city partnership area	*Police force area*	*Notifiable offences recorded per 100,000 population in police force area*
Birmingham	West Midlands	9,000
Manchester and Salford	Greater Manchester	10,600
Newcastle and Gateshead	Northumbria	10,500
Liverpool	Merseyside	10,400
Metropolitan Police District		
Hackney (district G)		15,400
Islington (district N)		15,300
Lambeth (district L)		16,400
MPD total		9,900
England and Wales		7,000

Police Surgeons

Mr. Kilroy-Silk asked the Secretary of State for the Home Department why police surgeons in London are being asked to sign the Official Secrets Act; and if he will call for reports from chief constables outside the metropolis as to their practice in this matter.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that most civilians who are employed by or carry out work for the Metropolitan Police and who have access to official information are already required to sign a declaration certifying that they are aware of the provisions of the Official Secrets Acts. Metropolitan police surgeons have not previously been required to sign a declaration but, since they also have access to official information, a similar requirement is included in the new form of contract which is currently being drawn up by the Metropolitan police.

The Acts' provisions apply whether or not a formal declaration is signed. It is for each chief officer to decide

whether persons engaged by them should sign a declaration and my right hon. and learned Friend sees no reason to call for reports about their practice.

Consultants (Contracts)

Mr. Mates asked the Secretary of State for the Home Department if he will list the contracts, with the subjct of assignment, awarded to management consultancy firms by his Department in 1984, with the name of the consultants concerned.

Mr. Brittan: The information is as follows:

Arthur Andersen & Co. — To advise on the working procedures, staffing and structure of the Crown Prosecution Service.

Arthur Young, McClelland, Moores & Company — Tasks related to the implementation of a devolved financial control system in the Prison Department.

Atkins Planning—Further development of project management information in the Directorate of Telecommunications.

Atkins Planning—Programming of prison activities.

Coban Design Ltd. — Independent technical assessment of the design of electronic typewriters.

Coopers & Lybrand Associates Ltd. — Review of the commercial relationship between the Prison Service Industries and Farms and Customers.

Coopers & Lybrand Associates Ltd. — Study of an accounting and reporting framework or the Directorate of Telecommunications.

Furniture Industry Research Associates — Research on the design and development of office range furniture.

Innovative Management Development, Maxim Consultants —Management training for the Probation Service.

Institute of Local Government Studies — Resource requirements and value for money in the magistrates' courts.

SGS Inspection Services Ltd — Independent survey on consignment of toy typewriters.

Marriage Act 1949

Mr. Concannon asked the Secretary of State for the Home Department if he will introduce legislation to amend section 1 of, and schedule 1 to, the Marriage Act 1949, so as to allow in-laws to marry.

Mr. Mellor: My right hon. and leaned Friend has no plans to do so.

Prisoners (Statistics)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the prison population of England and Wales on 26 April.

Mr. Mellor: The figure was 45,899.

AGRICULTURE, FISHERIES AND FOOD

Poultry

Mr. Skeet asked the Minister of Agriculture, Fisheries and Food what he esimates to have been the amount of state funds allocated to poultry research and development in each of the past four years.

Mrs. Fenner: The information requested is as follows:

	£ million
1980-81	6·6
1981-82	7·5
1982-83	8·5
1983-84	8·4

Farmgate Prices

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for the principal common agricultural policy products produced in the United Kingdom the price payable at the farmgate in 1984; how this compares to the average price in real terms in the years 1967-68 to 1970-71; and if he will state the quantities produced.

Mr. MacGregor: The figures requested are as follows:

	1984 Prov.	*1967-68 to 1970-71*	*Units*
*Average farmgate price real terms**			
Wheat	86·2	88·5	£/tonne
Barley	84·9	86·2	£/tonne
Oilseed Rape	206·1	n.a.	£/tonne
Sugar Beet	22·1	22·4	£/tonne
Beef	78·4	70·3	p/Kg. L.W.
Pig Meat	80·6	97·4	p/Kg. D.W.
Sheep Meat	121·2	137·0	p/Kg. est. D.C.W.
Poultry Meat	60·3	85·6	p/Kg.
Milk	11·0	13·9	p/Litre
Eggs	40·0	58·8	p/dozen
Quantities produced			
Wheat	14,960	3,740	'000 tonnes
Barley	10,960	8,420	'000 tonnes
Oilseed Rape	923	n.a.	'000 tonnes
Sugar Beet	8,800	†7,480	'000 tonnes
Beef	1,126	957	'000 tonnes
Pig Meat	926	835	'000 tonnes
Sheep Meat	307	239	'000 tonnes
Poultry Meat	825	540	'000 tonnes
Milk	15,570	12,070	mil. Litres
Eggs	1,005	1,233	mil. dozen

*At 1980 prices, deflated using the Retail Price Index.
†Estimate.
Source: Annual Review of Agriculture 1985 and 1972.

Market Research

Mr. Coombs asked the Minister of Agriculture, Fisheries and Food what use is made of market research by his Department; and if he will make a statement.

Mrs. Fenner: My Department monitors developments in the agriculture, fisheries and food sectors and assesses the prospects for the main agricultural commodities. It makes use of published studies and, when the need arises, commissions market research.

Dairy Farmers

Mrs. Dunwoody asked the Minister of Agriculture, Fisheries and Food what information he has as to the number of bankruptcies amongst dairy farmers in Cheshire which have occurred since the introduction of milk quotas; and if he will make a statement.

Mrs. Fenner: I regret that this information is not available.

Slaughtermen

Miss Fookes asked the Minister of Agriculture, Fisheries and Food if he will consider improving the training of slaughtermen prior to granting them licences.

Mrs. Fenner: This matter is the subject of recommendations by the Farm Animal Welfare Council in its report on the welfare of livestock (red meat animals) at the time of slaughter. The Government are considering the council's recommendations.

Animal Welfare

Miss Fookes asked the Minister of Agriculture, Fisheries and Food whether he will designate an official within his Department with special responsibility for animal welfare.

Mrs. Fenner: At the Ministry's headquarters there is an administrative division which deals solely with animal welfare policy issues on farms, at markets and in transit. This division and the administrative division responsible for welfare at slaughter work closely with senior officers of the headquarters staff of the State Veterinary Service. In the field, veterinary officers in the SVS, at divisional and regional levels all contribute extensively on matters of advice and enforcement on the welfare of farm animals on farms, at markets, in transit, and at the point of slaughter. The total manpower devoted to these programmes amounted to some 136 man-years in 1984-85. Additionally, all staff of the Ministry's Agriculture Development and Advisory Service maintain a careful watch on welfare issues during their frequent visits to farms, liaising with SVS colleagues.

Against this background, we see no need to designate a single official with special responsibility for animal welfare.

TRANSPORT

Lay-bys (Litter Bins)

Mr. Beith asked the Secretary of State for Transport whether he has asked Northumberland county council to remove litter bins from lay-bys on trunk roads; and if he will make a statement.

Mrs. Chalker: Requirements concerning litter bins were included in a code of practice for routine maintenance of motorways and all-purpose trunk roads published earlier this year by my Department for the guidance of local highway authorities, including Northumberland county council, which acts as our agent in the maintenance of motorways and trunk roads. The requirements include the removal of litter bins from those trunk road lay-bys without facilities, and the erection of notices advising road users to take their litter away, except at designated picnic sites and lay-bys with facilities such as toilets, picnic tables and litter bins.

Drivers normally stop at lay-bys without facilities for only a very short time and they and their passengers do not often walk far from the car. Litter bins tend not to be used and they are frequently blown or knocked over. A carefully monitored experiment in which litter bins have been removed at selected lay-bys has shown that the litter problem has not generally been any worse after the removal of the bins. The code of practice does, however, require agent authorities to clean up lay-bys on a regular periodical basis.

The code of practice was published after extensive consultations with the local authority associations and discussions with the County Surveyors' Society. It is designed to achieve consistency of routine maintenance standards for the Department's roads and to obtain the best value for the money spent.

Market Research

Mr. Coombs asked the Secretary of State for Transport what use is made of market research by his Department; and if he will make a statement.

Mr. Ridley: My Department uses market research to collect information needed for policy development purposes and also to assess the effectiveness of publicity campaigns.

Okehampton Bypass

Sir Peter Mills asked the Secretary of State for Transport if he will estimate the extra cost per mile for commercial transport-users if the northern route for the Okehampton bypass is used as opposed to the southern route.

Mrs. Chalker: Costs per mile for transport operators would be broadly similar on the two routes. The petitioners' route is more than a mile longer than the Department's.

LRT (Fares Cards)

Mr. Cohen asked the Secretary of State for Transport how many 14 and 15-year-olds have obtained a reduced rate fares card so far from London Regional Transport; what proportion of 14 and 15-year-olds in London this represents; and if he will make a statement.

Mrs. Chalker: LRT estimates that some 260,000 child rate photocards were issued through London post offices between August 1984, when they were first made available, and 1 April 1985. This total excludes photocards issued through local education authorities, for which figures are not available.

The number of 14 and 15-year-olds resident in Greater London at the present time is estimated at about 180,000. The issue of child rate photocards is not restricted to London residents.

Airedale Route

Mr. Waller asked the Secretary of State for Transport if he will publish a summary of the submissions made during the recent consultation exercise relating to the A650 Airedale route between Bingley and Shipley.

Mrs. Chalker: Yes. I will make available a summary of the representations received including the number of people who expressed a preference for a particular route. I will write to my hon. Friend about this.

Driving Licence

Mr. John David Taylor asked the Secretary of State for Transport on what date it is intended to introduce the new European driving licence into Great Britain.

Mr. Ridley: In accordance with EC directive 80/1263, driving licences with commencement dates from 1 January 1986 onwards will be in Community format.

Light Dues

Mr. Colvin asked the Secretary of State for Transport when he next intends to increase light dues.

Mr. David Mitchell: I am still considering this matter. I expect to make an announcement shortly.

Singapore Airlines (Manchester)

Mr. Alfred Morris asked the Secretary of State for Transport if he will take steps to ensure that the application by Singapore Airlines to begin flights into Manchester from July will be handled as expeditiously as possible by his Department; and when he expects to announce a decision on the application.

Mr. Ridley: As required under Article 12 of the "UK/Singapore Air Services Agreement" (Cmnd. 4619) the application by Singapore Airlines for services to Manchester is the subject of consultations between the two aeronautical authorities. The request from the Singapore Government for consultations was received on March 18 1985 and was acted upon immediately. An announcement will be made as soon as these consultations are complete.

PRIME MINISTER

British War Widows and Associates

Mr. Alfred Morris asked the Prime Minister what recent representations she has received from the honorary president and secretary of British War Widows and Associates; what reply she is sending; and if she will publish the correspondence in the *Official Report*.

The Prime Minister: I have received one letter from the honorary president and secretary of British War Widows and Associates, Mrs. Iris Strange, dated 16 April. My office has sent a reply to Mrs. Strange. The reply reflects the Government's good record over the years, highlighting the significant improvements to war widows age allowances from last November. There are approximately 67,000 war widows of whom 53,000 have benefited from this improvement. It is not my practice to publish correspondence sent to me by members of the public.

Regional Industrial Policy

Mr. Sean Hughes asked the Prime Minister (1) if she will estimate the number of man weeks of employment created by the Government's regional industrial policy in each region of the United Kingdom in the last 12 months;

(2) what has been the total cost of the Government's regional industrial incentives in each region of the United Kingdom over the last 12 months;

(3) what is the latest estimate of the cost per job created under the Government's regional industrial policy over the past 12 months in each region of the United Kingdom.

The Prime Minister: I will reply to the hon. Gentleman shortly.

THE ARTS

Works of Art (Export Licences)

Mr. Evennett asked the Parliamentary Under-Secretary of State answering in respect of the Arts whether it is intended that the criteria for granting export licences for works of art will be changed in the near future; and if he will make a statement.

Mr. Waldegrave: The criteria of national importance for judging whether such licences should be withheld or granted remain unchanged. However, following the recommendation of the reviewing committee on the export of works of art, a revised open general export licence will be issued on 7 May 1985 by the Department of Trade and Industry, under which the export of most works of art, antiques and collectors' items valued below £16,000 will be permitted without a specific export licence. The present value limit is £8,000.

Documents, manuscripts and archives, now extended to include architectural, engineering and scientific drawings drawn to scale by hand, require separate licences irrespective of value, as does archaeological material. Representations of British historical personages will from 7 May 1985 require a licence if valued from £4,000 up to £16,000 (the present limits are £2,000 and £8,000) although special arrangements exist to facilitate the export of the majority of these. New provisions for photographs, extending the control to cover photographic albums and increasing the figure at which a specific licence is needed to £400 (at present £200) will come into effect when a revised Export of Goods (Control) Order is published shortly.

Local Government Reform

Mr. Tony Banks asked the Parliamentary Under-Secretary of State answering in respect of the Arts, pursuant to his reply of 23 January 1984, *Official Report*, column *419*, if he is now in a position to make a statement on the future funding of the Riverside Studios, in the event of the Greater London council being abolished.

Mr. Waldegrave [*pursuant to his reply*, 29 April 1985, c. *58*]: The hon. Member is aware that my right hon. and

noble Friend, the Minister for the Arts, has announced that, of the total of £34 million of additional central arts funding he will make available on 1 April 1986, £16 million will go to the Arts Council for the support of those major performing arts bodies affected by abolition of the GLC and the metropolitan county councils. It is for the Arts Council to decide on the distribution of that money and, in London, the Riverside Studios will need to establish its case for a share along with other major companies. Like all arts bodies, Riverside will need to continue to seek other funding, from private sources and local authorities, as well as from their box office returns and economies in day to day operations.

WALES

Agricultural Capital Grants

Mr. Geraint Howells asked the Secretary of State for Wales when he last met representatives of the National Farmers Union in Wales and the Farmers Union of Wales to discuss the impact of the reduction of agricultural capital grants; and if he will make a statement.

Mr. Nicholas Edwards: I met representatives of both farming unions on 18 January and the NFU in March to discuss a number of issues including the changes made to the agriculture capital grant schemes in December last. I am in regular contact with the industry about current issues.

Hard Drugs

Mr. Geraint Howells asked the Secretary of State for Wales what steps are being taken to curb the trade in hard drugs in Wales; and if he will make a statement.

Mr. Wyn Roberts: The Government have a comprehensive strategy for tackling drug misuse throughout the United Kingdom involving simultaneous action to reduce supplies from abroad, tighten controls on drugs produced and prescribed here, make policing even more effective, strengthen deterrence, improve prevention through publicity and health education measures, and to improve treatment and rehabilitation services for those who misuse drugs. These measures, all of which should help to reduce the trade in drugs, are co-ordinated by the ministerial group on the misuse of drugs on which the Welsh Office is represented. I sent a summary of the Government's strategy to the hon. Member and other hon. Members for constituencies in Wales under cover of my letter of 28 March. They have also been sent extracts from the speech on drug misuse which I made on 8 March and in which I explained the Government's strategy and specific Welsh Office measures, including details of special central funding; of leaflets in English and Welsh language versions to help parents and professionals; and of Welsh health circular (85)27 which sets out the action we are now taking to further the Government's strategy in Wales. Hon. Members will be kept informed of developments.

Teachers' Dispute

Mr. Geraint Howells asked the Secretary of State for Wales how many representations he has now received about the teachers' dispute in Wales; and if he will make a statement.

Mr. John Stradling Thomas: We have received seven letters making representations about the teachers' pay dispute. Responsibility for teachers' pay and conditions lies with the Secretary of State for Education and Science.

Rating System

Mr. Geraint Howells asked the Secretary of State for Wales what consideration is being given by his Department to the reform of the rating system in Wales; and if he will make a statement.

Mr. Nicholas Edwards: While Ministerial responsibility for rating rests with my right hon. Friend the Secretary of State for the Environment, I am, of course, closely involved in the review of local government finance now taking place. Despite speculative reports in the press it is as yet too soon to comment on progress.

Farm Advisory Service

Mr. Geraint Howells asked the Secretary of State for Wales what recent representations he has received on the proposed reduction in funding for the farm advisory service; and if he will make a statement.

Mr. Nicholas Edwards: Following publication of the 1985 public expenditure White Paper I have received one letter seeking information on the proposed reduction in funding for the farm advisory service (ADAS).

Job Creation

Mr. Geraint Howells asked the Secretary of State for Wales what estimate he has made of the number of jobs likely to be created in Wales as the result of the measures announced in the Budget speech; and if he will make a statement.

Mr. Nicholas Edwards: The Budget proposals will substantially improve the prospect for jobs in Wales, as in the country as a whole. How many jobs are created will depend on the extent to which people take advantage of the opportunities which the Budget offers.

Private Hospital Development

Mr. Dobson asked the Secretary of State for Wales what proposals for private hospital developments have been notified to or authorised by him under the Health Services Act 1976 as amended by the Health Service Act 1980 since his answer of 28 March 1984, *Official Report*, column *218*.

Mr. Wyn Roberts: Since March 1984 I have received the following notification:

Land Authority for Wales, Wrexham 30 Beds.

There have been no requests for authorisation of controlled private hospital works.

NATIONAL FINANCE

Small Businesses

Mr. Eggar asked the Chancellor of the Exchequer what are the value added tax exemption thresholds for small businesses in each of the member countries of the European Economic Community.

Mr. Hayhoe: On the basis of the latest available information the situation is understood to be as follows:

Country	Annual limit £ sterling	Type of limit
Belgium	—	—
Denmark	733	Turnover
France	117	Tax
Germany	5,274	Tax-inclusive turnover
Ireland	*20,504	Turnover
	†9,842	
Italy	—	—
Luxembourg	2,623	Taxable Turnover
Netherlands	537	Tax
United Kingdom	19,500	Taxable Turnover

Exchange rates as at 26 April 1985.
Greece has not yet introduced VAT.
* Where 90 per cent. of total turnover is derived from taxable goods (excluding since 23 May 1984 goods chargeable at normal and reduced rates produced wholly or mainly from zero-rated materials).
† For other traders.

Expenditure

Mr. Ralph Howell asked the Chancellor of the Exchequer what is the total Government expenditure for the years 1962, 1972, 1982, 1983 and 1984 and the percentage of gross domestic product this represents for each of those years; and if he will provide total revenue for each of those years and express the total revenue also as a percentage of gross domestic product.

Mr. Peter Rees: Total general Government expenditure and receipts are as follows:

	Total expenditure £ billion (a)	(a) as percentage of GDP	Total receipts £ billion (a)	(b) as percentage of GDP
1962	10·4	36·1	9·8	33·9
1972	26·4	41·2	24·0	37·4
1982	128·7	46·5	119·3	43·1
1983	138·6	46·1	127·1	42·3
1984	145·4	45·7	135·4	42·5

Figures of total general Government expenditure and receipts are published in table 56 of *Economic Trends* and table 153 of the *Annual Supplement to Economic Trends*. Estimates of GDP at market prices are published in table 6 of *Economic Trends* and in table 8 of the *Annual Supplement*.

It should be noted that the question has been answered using general Government expenditure and receipts as defined in the national accounts. The former differs from the definition of public expenditure in Cmnd. 9428 and the latter is a wider definition than simply tax revenue.

Truck Manufacturers (Taxation)

Mrs. Ann Winterton asked the Chancellor of the Exchequer what information he has concerning the total taxation revenue generated by firms manufacturing trucks in the last five years for which figures are available.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Departmental Committees of Inquiry

Mr. Eggar asked the Chancellor of the Exchequer how many departmental committees of inquiry he and his predecessors, including Secretaries of State for Economic Affairs, have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Hayhoe: I refer my hon. Friend to appendices B and C of "Royal Commissions and Departmental Committees in Britain — a Case-Study in Institutional Adaptiveness and Public Participation in Government" by T J Cartwright, a copy of which is held by the House Library. These appendices list major post-war Royal Commissions and Departmental Committees between 1945 and 1974, the reports of which were published as command papers. I regret that a separate listing for the Chancellor of the Exchequer's Departments, to include any such Committees the reports of which were not published as command papers and to extend the list beyond 1974, could be compiled only at disproportionate cost.

EMPLOYMENT

Travel-to-Work Areas

Mr. Maclean asked the Secretary of State for Employment if there has been any review of the criteria for establishing travel-to-work areas or of the extent of particular areas since July 1984.

Mr. Alan Clark: The criteria for establishing travel-to-work areas have not been amended since the revised travel-to-work area boundaries were determined in July 1984. One minor change has been made to the boundary between the Swansea and Llanelli areas; this resulted from a revision to the "1981 Census of Population" data.

Labour Statistics

Mr. Ralph Howell asked the Secretary of State for Employment, pursuant to the answer of 23 February 1984, *Official Report*, column *611*, if he will give the numbers of self-employed persons in the United Kingdom for the years 1982, 1983 and 1984, and show what these and the figures contained in the earlier answer represent as a percentage of the total work force.

Mr. Alan Clark: The information requested is given in the table:

Self employed persons in the UK

June	Thousand	Per cent. of working population
*1960	1,766	7·2
1970	2,014	7·9
1979	1,903	7·2
1981	2,118	7·9
1982	2,170	8·1
1983	2,221	8·4
1984	2,494	9·2

* As the method of estimation has changed the figures for 1960 are not strictly comparable with those for later years.

Average National Wage (Housing and Construction)

Mr. Simon Hughes asked the Secretary of State for Employment what is the average national wage in the housing construction industry at the latest available date.

Mr. Peter Bottomley: The latest available information relates to April 1984. Tables 54, 55 and 57 of the "New

Earnings Survey 1984" part C give information on earnings of full-time male and female employees working a full week in the construction industry. A copy of this report is in the Library.

Woolwich Centre

Mr. Cartwright asked the Secretary of State for Employment what steps are planned to improve the accessibility of the Woolwich jobcentre to disabled people; what is the estimated cost; and when work is planned to start.

Mr. Alan Clark: The Property Services Agency on behalf of the Manpower Services Commission is currently examining whether or not suitable access for wheelchair users can be provided at the Woolwich jobcentre. The agency has been asked to report its findings by the end of May. In general, where disabled people have difficulty in obtaining access to a jobcentre, the Manpower Services Commission will make alternative arrangements to provide whatever advice and information is required.

North-West Region

Mrs. Ann Winterton asked the Secretary of State for Employment how many people have been employed in heavy goods vehicle manufacture in the north-west region in each of the last 10 years for which figures are available.

Mr. Alan Clark: The Department's employment estimates are analysed according to the 1980 standard industrial classification which does not separately distinguish the manufacture of heavy goods vehicles.

MSC Training (Merseyside)

Mr. Kilroy-Silk asked the Secretary of State for Employment how many full-time Manpower Services Commission training places are available at each training centre on Merseyside.

Mr. Peter Morrison [*pursuant to his reply*, 29 April 1985 c. *43*]: The table provides information on the number of full-time training places currently available under the training opportunities scheme on Merseyside.

Training provider	*Places available*
Merseyside Inner Area Office	
Colquitt and Nautical Training Centre	16
Merseyside Skills Training	15
North East Technical College	10
Hotel and Catering Industry Training Board	18
Micro Technology	16
Booth's Training	15
Central Training College	44
Charles Woolton Training Centre	14
Childwall College of Further Education	14
Riversdale College of Further Education	16
Millbank College of Further Education	27
Crosby Adult Education Centre	10
Merseyside Innovation Centre	20
Sight and Sound: Liverpool 1	10
Sight and Sound: Liverpool 8	70
Liverpool University	12
Liverpool Polytechnic	19
Southport College of Further Education	2
McLaughlin's Street Paving	1
Merseyside Parks Training Centre	10
Crosby Commercial College	27
Liverpool Skillcentre	104
Merseyside Advisory and Training Unit	24
Merseyside Outer Area Office	
Centre 70	10
Halewood Adult Education Centre	10
Swinton Insurance	1
Kirby College of Further Education	13
Knowsley College of Further Education	10
Merseyside Training Council	2
St. Helens College of Technology	34
Wirral Metropolitan College	27
Newton-Le-Willows College of Further Education	12
St. Helens Skillcentre	82

ENVIRONMENT

Local Enterprise Companies

Mr. Arnold asked the Secretary of State for the Environment what information he has about the number of local enterprise companies established by local authorities; and if he will make a statement.

Sir George Young: Local authorities normally establish and fund enterprise boards using their discretionary powers. There is no statutory requirement to notify my right hon. Friend the Secretary of State of their action and my Department does not therefore maintain a comprehensive record of the number of such boards in existence.

Of the 144 established local enterprise agencies in England listed by Business in the Community in September 1984, 118 had one or more local authorities listed among their sponsors.

Planning Applications

Mr. Heddle asked the Secretary of State for the Environment if he has any plans to establish an expedited procedure to consider matters such as colour and type of facing material, window detail, open space and landscape requirements which have no direct bearing on planning applications.

Mr. Macfarlane: No, but if my hon. Friend has any suggestions I shall be glad to consider them.

Asbestos

Mrs. Clwyd asked the Secretary of State for the Environment what steps his Department is taking to advise all owners of old factories, offices and similar sites that asbestos should be checked for before demolition is authorised, under section 4 of the Control of Pollution (Special Waste) Regulations 1980.

Mr. Waldegrave: The responsibility for enforcing health and safety legislation in relation to demolition work lies with the Health and Safety Executive and the local environmental health authorities. The HSE has issued several guidance notes on health and safety in demolition work, and these contain specific advice on the need to establish whether or not asbestos is present, and its extent both before and during demolition.

The Department's booklet entitled "Asbestos materials in Buildings" includes reference to the Control of Pollution (Special Wastes) Regulations, which are enforced by the

local waste disposal authorities. Specific advice on the operation of each of these regulations is contained in my Department's circular 4/81, and detailed guidance is given out in "Waste Management Paper No. 23" to enable producers to establish whether particular wastes arising are subject to the regulations.

Mrs. Clwyd asked the Secretary of State for the Environment what steps his Department is taking to ensure that sections 5 and 6 of the Control of Pollution (Special Wastes) Regulations 1980 are carried out.

Mr. Waldegrave: It is for local authorities, as waste disposal authorities, to ensure compliance with these regulations. The Department has issued circular 4/81 giving guidance on their implementation, and the Department's Hazardous Waste Inspectorate looks into the operation of these controls when visiting local authorities and individual disposal sites.

Mrs. Clwyd asked the Secretary of State for the Environment how many prosecutions have been instigated for failure to comply with the Control of Pollution (Special Wastes) Regulations 1980; and how many were successful.

Mr. Waldegrave: Information of prosecutions for failure to comply with these regulations is available only for 1982 and 1983, when seven of the eight prosecutions were successful.

National Heritage Memorial Fund

Dr. Cunningham asked the Secretary of State for the Environment if he will give details of the £15 million reduction in the new town non-voted cash limit DOE/NTI for 1984-85 used to fund the increase in the National Heritage Memorial Fund for 1984-85.

Mr. Patrick Jenkin: Cash block DOE/NTI is the net provision for capital expenditure by all new town corporations in England after allowing for their capital receipts. Capital receipts in 1984-85 were greater than expected when the cash limit was set. It was therefore possible to reduce the net cash limit without affecting in any way the provision for gross expenditure.

Holiday Play Schemes

Ms. Harman asked the Secretary of State for the Environment what information he has as to which holiday play schemes have closed due to the refusal of applications for funds from the traditional urban programme.

Mr. Macfarlane: This information is not available. Some holiday projects which have been successful for a number of years may continue with local authority funding, as urban programme circular 25 suggests.

Ms. Harman asked the Secretary of State for the Environment what representations he has received about cuts in traditional urban programme funding for holiday play schemes.

Mr. Macfarlane: About 60 representations have been received from local authorities, voluntary organisations, and Members of Parliament.

Housing (Investment)

Mr. Sean Hughes asked the Secretary of State for the Environment if he will express the total investment in housing by public bodies in the United Kingdom as a percentage of total national capital investment.

Sir George Young: Public investment in housing in the United Kingdom in 1984 represented 5·1 per cent. of total gross domestic fixed capital formation.

Hazardous Waste Inspectorate

Dr. Cunningham asked the Sectetary of State for the Environment when he expects the first report of the Hazardous Waste Inspectorate to be published.

Mr. Patrick Jenkin: Early in June.

Sports Council

Dr. Cunningham asked the Secretary of State for the Environment if he will make a statement on the future chairmanship of the Sports Council.

Mr. Macfarlane: The chairman is Mr Dick Jeeps. If there are to be any changes, they will be announced in the normal way.

Rate Support Grant

Mr. Silvester asked the Secretary of State for the Environment if he will list each local authority in England indicating the amount of rate support grant per head for 1985-86.

Mr. Waldegrave [*pursuant to his reply* 30 April 1985, c.89]: The information requested is in the table. The population figures used in the calculation are OPCS mid-1984 estimates. Rate support grant comprises block grant and domestic rate relief grant. The block grant component of the figures is local authorities' entitlements, after initial percentage close-ending but before holdback, in most cases on the basis of budgets received from authorities. For those few authorities from which a budget was not received in time for the calculation, the Secretary of State has estimated that:

—for rate limited authorities, their expenditure will be in line with the expenditure level determined by the Secretary of State on 24 July 1984;
—for the remaining authorities, their expenditure will be in line with the guidance figure notified to them on 11 December 1984.

Rate Support Grant per head
1985-86 Settlement

	£
Avon	128·34
Bedfordshire	107·12
Berkshire	65·93
Buckinghamshire	96·04
Cambridgeshire	124·84
Cheshire	129·53
Cleveland	195·70
Cornwall	180·04
Cumbria	194·93
Derbyshire	168·17
Devon	153·65
Dorset	96·91
Durham	197·86
East Sussex	84·13
Essex	88·97
Gloucestershire	131·58

	£
Hampshire	114·09
Hereford and Worcester	136·89
Hertfordshire	62·22
Humberside	203·33
Isle of Wight	175·00
Kent	145·38
Lancashire	207·05
Leicestershire	155·89
Lincolnshire	178·28
Norfolk	131·09
Northamptonshire	155·99
Northumberland	179·01
North Yorkshire	159·98
Nottinghamshire	170·06
Oxfordshire	72·23
Shropshire	179·35
Somerset	154·95
Staffordshire	159·95
Suffolk	121·16
Surrey	35·88
Warwickshire	113·28
West Sussex	79·40
Wiltshire	158·43
Greater Manchester	53·70
Merseyside	65·12
South Yorkshire	54·28
Tyne and Wear	78·34
West Midlands	38·07
West Yorkshire	56·36
Isles of Scilly	402·43
Greater Manchester	
Bolton	224·37
Bury	184·23
Manchester	214·66
Oldham	254·79
Rochdale	257·78
Salford	224·19
Stockport	143·12
Tameside	227·92
Trafford	102·69
Wigan	209·70
Total of Districts	2,043·45
Merseyside	
Knowsley	237·22
Liverpool	247·17
St. Helens	197·48
Sefton	160·29
Wirral	183·30
Total of Districts	1,025·46
South Yorkshire	
Barnsley	217·47
Doncaster	213·89
Rotherham	221·78
Sheffield	179·78
Total of Districts	832·92
Tyne and Wear	
Gateshead	210·47
Newcastle-upon-Tyne	136·60
North Tyneside	204·50
South Tyneside	241·14
Sunderland	230·32
Total of Districts	1,023·03
West Midlands	
Birmingham	197·19
Coventry	181·91
Dudley	130·39
Sandwell	173·69
Solihull	142·72
Walsall	177·06
Wolverhampton	188·47
Total of Districts	1,191·43
West Yorkshire	
Bradford	263·88
Calderdale	238·00
Kirklees	247·85
Leeds	167·58
Wakefield	180·11
Total of Districts	1,097·42
ILEA	0·00
Greater London CL	6·13
City of London	108·32
Camden	30·37
Greenwich	161·55
Hackney	280·23
Hammersmith and Fulham	250·50
Islington	163·31
Kensington and Chelsea	115·97
Lambeth	201·89
Lewisham	218·69
Southwark	199·25
Tower Hamlets	145·18
Wandsworth	205·34
Westminster	78·81
Barking and Dagenham	185·31
Barnet	135·52
Bexley	219·73
Brent	269·50
Bromley	158·36
Croydon	156·20
Ealing	211·55
Enfield	179·23
Haringey	299·41
Harrow	183·07
Havering	192·18
Hillingdon	88·45
Hounslow	124·48
Kingston-upon-Thames	127·49
Merton	189·05
Newham	368·81
Redbridge	189·54
Richmond-upon-Thames	119·90
Sutton	169·70
Waltham Forest	299·54
Avon	
Bath	41·43
Bristol	39·17
Kingswood	33·18
Northavon	21·70
Wansdyke	23·35
Woodspring	33·21
Total of Districts	192·04
Bedfordshire	
North Bedfordshire	25·87
Luton	31·30
Mid Bedfordshire	19·81
South Bedfordshire	17·13
Total of Districts	94·11
Berkshire	
Bracknell	27·33
Newbury	25·69
Reading	32·26
Slough	31·77

	£
Windsor and Maidenhead	25·73
Wokingham	24·77
Total of Districts	167·55
Buckinghamshire	
Aylesbury Vale	22·22
South Buckinghamshire	25·66
Chiltern	24·34
Milton Keynes	24·81
Wycombe	22·70
Total of Districts	119·73
Cambridgeshire	
Cambridge	33·67
East Cambridgeshire	22·75
Fenland	29·03
Huntingdon	22·77
Peterborough	24·79
South Cambridgeshire	20·82
Total of Districts	153·83
Cheshire	
Chester	29·43
Congleton	24·80
Crewe and Nantwich	36·95
Ellesmere and Neston	17·76
Halton	31·24
Macclesfield	30·07
Vale Royal	25·30
Warrington	28·15
Total of Districts	223·70
Cleveland	
Hartlepool	51·21
Langbaugh	28·77
Middlesbrough	70·31
Stockton on Tees	25·18
Total of Districts	175·47
Cornwall	
Caradon	33·42
Carrick	36·19
Kerrier	31·28
North Cornwall	35·93
Penwith	41·34
Restormel	29·51
Total of Districts	207·67
Cumbria	
Allerdale	43·02
Barrow in Furness	43·70
Carlisle	37·02
Copeland	36·66
Eden	30·41
South Lakeland	36·70
Total of Districts	227·51
Derbyshire	
Amber Valley	31·01
Bolsover	34·38
Chesterfield	41·17
Derby	38·41
Erewash	34·48
High Peak	29·54
North East Derbyshire	32·11
South Derbyshire	18·83
West Derbyshire	33·65
Total of Districts	293·58

	£
Devon	
East Devon	35·75
Exeter	38·08
North Devon	33·88
Plymouth	39·66
South Hams	38·95
Teignbridge	36·39
Mid Devon	30·21
Torbay	42·30
Torridge	40·74
West Devon	31·76
Total of Districts	367·72
Dorset	
Bournemouth	50·01
Christchurch	36·47
North Dorset	28·60
Poole	34·81
Purbeck	29·25
West Dorset	34·02
Weymouth and Portland	42·79
Wimborne	31·21
Total of Districts	287·16
Durham	
Chester le Street	40·87
Darlington	43·88
Derwentside	49·49
Durham	33·91
Easington	48·22
Sedgefield	46·23
Teesdale	32·60
Wear Valley	45·92
Total of Districts	341·12
East Sussex	
Brighton	61·71
Eastbourne	57·92
Hastings	51·73
Hove	57·81
Lewes	35·77
Rother	43·18
Wealden	31·84
Total of Districts	339·96
Essex	
Basildon	25·83
Braintree	26·01
Brentwood	23·74
Castle Point	31·93
Chelmsford	26·79
Colchester	30·21
Epping Forest	27·30
Harlow	16·12
Maldon	24·19
Rochford	29·56
Southend on Sea	46·95
Tendring	41·80
Thurrock	16·59
Uttlesford	27·11
Total of Districts	394·13
Gloucestershire	
Cheltenham	38·13
Cotswold	31·22
Forest of Dean	30·35
Gloucester	34·75
Stroud	27·26
Tewkesbury	21·92
Total of Districts	184·13

	£
Hampshire	
Basingstoke and Deane	24·80
East Hampshire	31·24
Eastleigh	24·66
Fareham	28·62
Gosport	39·57
Hart	24·83
Havant	36·09
New Forest	29·40
Portsmouth	56·90
Rushmoor	36·19
Southampton	43·91
Test Valley	23·83
Winchester	27·34
Total of Districts	427·38
Hereford and Worcester	
Bromsgrove	23·63
Hereford	31·37
Leominster	31·96
Malvern Hills	31·00
Redditch	27·84
South Herefordshire	27·93
Worcester	31·64
Wychavon	24·94
Wyre Forest	27·23
Total of Districts	257·54
Hertfordshire	
Broxbourne	29·89
Dacorum	27·64
East Hertfordshire	25·54
Hertsmere	22·83
North Hertfordshire	25·28
St. Albans	26·16
Stevenage	16·57
Three Rivers	27·61
Watford	30·35
Welwyn Hatfield	18·75
Total of Districts	250·62
Humberside	
Beverley	31·64
Boothferry	42·65
Cleethorpes	45·24
Glanford	34·73
Great Grimsby	51·44
Holderness	33·62
Kingston-upon-Hull	73·27
North Wolds	40·92
Scunthorpe	37·02
Total of Districts	390·53
Isle of Wight	
Medina	34·83
South Wight	36·46
Total of Districts	71·29
Kent	
Ashford	36·42
Canterbury	38·92
Dartford	33·95
Dover	37·21
Gillingham	34·05
Gravesham	34·53
Maidstone	29·93
Medway	34·09
Sevenoaks	29·57
Shepway	40·88
Swale	32·99
Thanet	52·03
Tonbridge and Malling	26·45
Tunbridge Wells	32·92
Total of Districts	493·94
Lancashire	
Blackburn	73·23
Blackpool	58·04
Burnley	53·25
Chorley	34·35
Fylde	36·89
Hyndburn	50·51
Lancaster	41·01
Pendle	49·10
Preston	48·04
Ribble Valley	32·17
Rossendale	46·90
South Ribble	29·17
West Lancashire	31·70
Wyre	43·97
Total of Districts	628·33
Leicestershire	
Blaby	25·53
Charnwood	24·17
Harborough	25·03
Hinckley and Bosworth	22·45
Leicester	53·53
Melton	26·15
North West Leicester	24·95
Oadby and Wigston	26·44
Rutland	23·41
Total of Districts	251·66
Lincolnshire	
Boston	38·32
East Lindsey	31·30
Lincoln	44·04
North Kesteven	27·16
South Holland	36·30
South Kesteven	29·69
West Lindsey	29·10
Total of Districts	235·91
Norfolk	
Breckland	26·04
Broadland	27·23
Great Yarmouth	45·17
North Norfolk	37·85
Norwich	29·40
South Norfolk	27·29
Kings Lynn and West Norfolk	29·72
Total of Districts	222·70
Northamptonshire	
Corby	34·08
Daventry	20·69
East Northampton	27·15
Kettering	36·71
Northampton	43·00
South Northampton	25·76
Wellingborough	30·30
Total of Districts	217·69
Northumberland	
Alnwick	43·79
Berwick-upon-Tweed	35·41
Blyth Valley	47·19
Castle Morpeth	27·01
Tynedale	31·68
Wansbeck	32·66
Total of Districts	217·74

	£
North Yorkshire	
Craven	31·53
Hambleton	26·02
Harrogate	32·50
Richmondshire	32·95
Ryedale	27·76
Scarborough	42·61
Selby	13·90
York	42·20
Total of Districts	249·47
Nottinghamshire	
Ashfield	32·08
Bassetlaw	11·82
Broxtowe	32·94
Gedling	33·84
Mansfield	47·87
Newark and Sherwood	28·74
Nottingham	54·95
Rushcliffe	22·91
Total of Districts	265·15
Oxfordshire	
Cherwell	24·25
Oxford	43·05
South Oxfordshire	24·89
Vale of White Horse	19·80
West Oxfordshire	27·50
Total of Districts	139·49
Shropshire	
Bridgnorth	26·09
North Shropshire	31·24
Oswestry	31·63
Shrewsbury and Atcham	27·22
South Shropshire	35·52
The Wrekin	34·49
Total of Districts	186·19
Somerset	
Mendip	26·85
Sedgemoor	30·70
Taunton Deane	32·63
West Somerset	31·02
South Somerset	28·15
Total of Districts	149·35
Staffordshire	
Cannock Chase	29·12
East Staffordshire	30·75
Lichfield	23·09
Newcastle under Lyme	32·23
South Staffordshire	23·48
Stafford	25·92
Staffordshire Moorlands	26·50
Stoke-on-Trent	36·60
Tamworth	36·17
Total of Districts	263·86
Suffolk	
Babergh	29·89
Forest Heath	32·40
Ipswich	40·14
Mid Suffolk	29·30
St. Edmundsbury	26·66
Suffolk Coastal	28·91
Waveney	41·25
Total of Districts	228·55
Surrey	
Elmbridge	25·00
Epsom and Ewell	29·27
Guildford	22·04
Mole Valley	22·81
Reigate and Banstead	22·78
Runnymede	22·30
Spelthorne	18·55
Surrey Heath	21·39
Tandridge	24·46
Waverley	24·46
Woking	33·50
Total of Districts	266·56
Warwickshire	
North Warwickshire	25·52
Nuneaton and Bedworth	34·36
Rugby	27·89
Stratford-on-Avon	25·52
Warwick	28·69
Total of Districts	141·98
West Sussex	
Adur	27·61
Arun	41·04
Chichester	34·03
Crawley	13·66
Horsham	28·37
Mid Sussex	25·34
Worthing	46·71
Total of Districts	216·76
Wiltshire	
Kennet	28·92
North Wiltshire	28·63
Salisbury	26·30
Thamesdown	25·78
West Wiltshire	25·69
Total of Districts	135·32
Metropolitan Police PA	19·90

NORTHERN IRELAND

Herons

Mr. Kilroy-Silk asked the Secretary of State for Northern Ireland how many applications for licences to kill herons there were in 1983, 1984 and so far this year; how many were granted; how many herons were allowed to be killed in each case; how many were actually killed; what were the reasons for granting or refusing licences; what was the location of the applicant; what was the reason for the application; how many site visits were made; what deterrent measures were taken; and what organisations he consulted before deciding on the applications.

Mr. Chris Patten: To date no such applications have been received.

Civil Servants (Consultation)

Mr. Beggs asked the Secretary of State for Northern Ireland what provision is being made to facilitate consultation between civil servants from the Irish Republic and their opposite numbers in Stormont.

Mr. Hurd: The Anglo-Irish Intergovernmental Council was set up in 1981 to encourage contacts between the two Governments at ministerial and official level.

FOREIGN AND COMMONWEALTH AFFAIRS

Falkland Islands

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what response he has had to his statement of 14 March, *Official Report*, column 497 about the possible reciprocal lifting of commercial and financial restrictions by Argentina.

Mr. Renton: The Argentine Government have not replied to the message to which my right hon. and learned Friend referred on 14 March at column 499.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the *Official Report* the letter of 28 March to the hon. Member for Linlithgow from the Parliamentary Under-Secretary of State, the hon. Member for Mid-Sussex (Mr. Renton) about references in Lord Blake's recent publication concerning Cabinet policy toward the prosecution of the Falklands war.

Mr. Renton: Yes. The full text of the letter is as follows:

"Thank you for your letter of 20 March in which you follow up your intervention in the adjournment debate on 14 March.

Thank you also for enclosing the text setting out the allegation which came to Lord Blake as 'private information'. The Government's position regarding these allegations is that, without accepting that they have any validity, they are not prepared to give details of the operational advice submitted to Ministers. This, I assure you, is in accordance with normal practice.

On Argentine re-armament, there really is nothing I can usefully add to the reply I gave in my winding-up speech (Columns 528-529).

This leaves the Argentines of Scottish and Welsh extraction living in Patagonia. We are well aware that many people of British descent have freely chosen to settle in Argentina and have prospered and been content to live under the political, economic and social system of that country. But the people of the Falkland Islands have clearly expressed the wish to live on British soil in the Falkland Islands, and have no wish to become subject to Argentina. Their wishes merit respect by a country which has so recently recovered its own democratic freedom."

Argentina

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs why it is Her Majesty's Government's policy to conduct exchanges with Argentina through Swiss and Brazilian intermediaries.

Mr. Renton: It is standard practice for Governments who have no diplomatic relations to conduct their exchanges through their respective protecting powers.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs why Her Majesty's Government have not taken up the suggestion of the Secretary General of the United Nations that there should be a dialogue between the United Kingdom and Argentina through the United Nations to develop confidence-building measures.

Mr. Renton: The protecting powers are at present the most appropriate channel for our communications with the Argentine Government.

Foreign Affairs Council

Mr. Aspinwall asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the 29-30 April Foreign Affairs Council.

Sir Geoffrey Howe: Our permanent representative to the European Communities represented the United Kingdom at the Foreign Affairs Council held in Luxembourg on 29-30 April. My hon. Friend the Member for Edinburgh, Pentlands (Mr. Rifkind) was our representative when Ministers of the Ten met in political co-operation on 29 April, immediately prior to the Council.

Consultations were held with a delegation from the European Parliament about the new own resources decision. The text will be formally adopted by the Council as soon as practicable.

The Council discussed the negotiating mandates for the second EC-Yugoslavia financial protocol and the second EC-Malta financial protocol. Both will be considered further at the next Council.

The Council discussed arrangements for signature of the accession treaty for Spain and Portugal.

The Council adopted a declaration concerning EC beef and veal exports to Canada for 1985. The Commission reported on recent contacts with the United States on the implementation of the carbon steel and pipes and tubes export restraint arrangements.

After the Council, a representative of the Angolan Government signed the third Lomé convention. This, together with the signature by Mozambique last December, brings the whole of independent black Africa within the ambit of the convention.

At the political co-operation meeting, Ministers of the Ten had useful exchanges of views on a number of international affairs topics. Statements were issued on the middle east, Sudan, the forthcoming Ottawa meeting on human rights, UNESCO and southern Africa. Copies of these have been placed in the Library of the House.

SCOTLAND

Afforestation (Caithness and Sutherland)

Mr. Maclennan asked the Secretary of State for Scotland which of the afforestation schemes in Caithness and Sutherland approved under the forestry grant scheme and noted in his reply of 5 February, *Official Report*, columns *499-500*, were subject to consultation with the Nature Conservancy Council.

Mr. John MacKay: The information is as follows:

Name of Estate	*Location*
The Brig	Forsinard
Cross Lochs	Forsinard
The Dale	Forsinard
The Dyke	Forsinard
Altnabreac	Near Altnabreac
Bhaird	Forsinard
Crubag	Forsinard
Fasach	Forsinard
Fideag	Forsinard
Leir	Forsinard
Talaheel	Forsinard
Casan	Forsinard
Imriche	Forsinard
Coille Nam Breac	Forsinard
Cutting	Forsinard
Loch Dubh	Forsinard
Thearg	Forsinard
Abhainn Bheag	Forsinard
Gleann Nam Beist	Forsinard
The Gunn	Forsinard
Mackay A' Tuath	Forsinard

Name of Estate	Location
Bad Coille	Strathy Forest
Coille Buidhe	Strathy Forest
Coille Nan Clach	Strathy Forest
Coille Fada	Strathy Forest
Coille Meadhonach	Strathy Forest
Coille An Reidhe	Strathy Forest
Coille Am Sealbach	Strathy Forest
Coille A Saobhaidhe	Strathy Forest

Mr. Maclennan asked the Secretary of State for Scotland if he will list in the *Official Report* the names, location and areas of woodlands in Caithness and Sutherland awarded or approved for grants under the Forestry Commission's dedication schemes, basis I, II and III.

Mr. John MacKay: The information is as follows:

Estate	Location	Woodland Area (hectares)
Basis II		
Achentoul	Between Kinbrace and Auchentoul	342
Altnaharra	River Mudale/Loch Naver Valley	97
Benarmine	North of Benarmine Lodge, near Siberscross	98
Borrobol	Strath of Kildonan	136
Cambusmore	South side of Loch Fleet, West of Embo	128
Dunrobin	Near Golspie	1,006
Gordonbush	North and west of Loch Brora	521
Kylestrome	By Loch Shark, Duartmore	222
Langwell	Berriedale	154
Littleferry	North Shore of Loch Fleet	118
Lochmore	By Lairg	826
Proncynain	North-west Dornoch	66
Rosehall	Invercassley	39
Siberscross	Strath Brora	140
Shinness	Loch Shin	23
Skibo	West Dornoch	1,157
Uppat	Near Golspie	182
Basis III		
Achlachan	West of Spittal	186
Bel Wood	West of Wick	16
Corriemulzie	Glen Einig, North East of Rhiddoroch	61
Cnoc A'Bhothain	South West of Thurso-Helmsdale Railway, West of Loch Meadie	194
Cogle Wood	West of Wick	11
Garbh Loch	North East of Altnabreac	529
Gordonbush	North and west of Loch Brora	106
Kirk Wood	West of Wick	16
Loch Eileanach	North-west of Loch More	229
Moss of Quintfall	West of Keiss	351
Phillips Mains	Near Mey	155
Rosehall	Invercassley	189
Tarroul Wood	West of Wick	18
Toftingall	West of Wick	251
Watten Wood	West of Wick	47
Winless Wood	West of Wick	16

There are no basis I schemes in Caithness and Sutherland.

Human Fertilisation and Embryology (Warnock Report)

Mr. Willie W. Hamilton asked the Secretary of State for Scotland if he will list the names of all organisations in Scotland which have responded to the Warnock report on "Human Fertilisation and Embryology"; and how many have supported the recommendations on research and how many have opposed them.

Mr. John MacKay: The following organisations in Scotland have submitted comments on the Warnock report:

Argyll and Clyde Health Board
Area Medical Committee, Fife Health Board
Association of Directors of Social Work
Baptist Union of Scotland
Borders Health Board
British Association of Social Workers, Scottish Committee
British Medical Association, Scottish Council
Brook Advisory Centre (Scotland)
Church of Scotland (Board of Social Responsibility)
Convention of Scottish Local Authorities
Dumfries and Galloway Health Board
East Lothian District Local Health Council
Edinburgh District Local Health Council
Edinburgh Humanist Group
Faculty of Advocates
Family Planning Association, Scottish Region
Free Church of Scotland
Free Presbyterian Church of Scotland
Glasgow Eastern District Local Health Council
Greater Glasgow Health Board
Highland Health Board:
  Maternity Services Group Executive Committee, Highland Health Board
Inverness Branch, Royal College of Nursing and National Council of Nurses of the United Kingdom
Law Society of Scotland
Lothian Health Board
Medical Women's Federation, Scottish Standing Committee
Midlothian Health Council
National Association for the Childless, Scottish Committee
National Board for Nursing, Midwifery and Health Visiting for Scotland
Nursing Service, Ayrshire and Arran Health Board
Presbytery of Ross, Church of Scotland
Royal College of Midwives, Scottish Board
Royal College of Physicians and Surgeons of Glasgow
Scottish Association for Counselling
Scottish Child and Family Alliance
Scottish Council for Single Parents
Scottish Family Planning Medical Society
Scottish General Medical Services Committee, British Medical Association
Scottish Health Visitors' Association
Scottish Joint Consultants' Committee, British Medical Association
Scottish Law Commission
Tayside Health Board:
  Area Medical Committee
  Area Nursing Midwifery Consultative Committee
  Area General Practice Sub-Committee

Twenty of the bodies indicated, subject to some provisos, broad support for the committee's recommendations about research; seven were opposed to the recommendations; and the remaining 18 either expressed varying degrees of concern without indicating a firm view on these issues or did not comment.

Private Hospital Developments

Mr. Dobson asked the Secretary of State for Scotland what proposals for private hospital developments have been notified to or authorised by him under the Health Services Act 1976 as amended by the Health Service Act 1980 since his answer of 28 March 1984, *Official Report*, column 218.

Mr. John MacKay: None.

Voluntary Bodies (Grants)

Sir Hector Monro asked the Secretary of State for Scotland if he will list the voluntary bodies to which the Scottish Home and Health Department gave grants under section 16B of the National Health Service (Scotland) Act 1978 during 1984-85 and the amount of the grant given in each case.

Mr. Younger: This information is as follows:

	Grant paid 1984-85 £
Scottish Catholic Marriage Advisory Council	99
Scottish Council on Alcoholism	69,300
Family Planning Association	12,500
Community Service Volunteers	12,150
Chest, Heart and Stroke Association	2,750
Action on Smoking and Health	22,990
Scottish National Blood Transfusion Association	3,600
Scottish Council on Disability	18,266
British Association of Immediate Care Schemes (BASICS)	1,450
NSSPCC Overnewton Centre	20,122
Arthritis and Rheumatism Council	9,950
Scottish Association for Mental Health	8,500
Age Concern Scotland	6,273
Toy Libraries Association	2,000
Scottish Pre-School Play Groups Association	12,490
National Association for the Welfare of Children in Hospital	2,254
Motability	37,579
Overseas Doctors' Association—Scottish Branch	365
Brook Advisory Centre	3,780
National Schizophrenia Fellowship (Scotland)	1,554
Mastectomy Association	310
National Childbirth Trust	1,500
Scottish Epilepsy Association	4,775
National Association for the Childless	2,350
Special Equipment and Aids for Living	2,000
Total	£298,907

TRADE AND INDUSTRY

Export Credits Guarantee Department

3. **Mr. Boyes** asked the Secretary of State for Trade and Industry if he will make a statement on the current operations of the Export Credits Guarantee Department.

Mr. Channon: The Export Credits Guarantee Department continues to make its facilities available to support UK exports on the same basis as hitherto. I am awaiting the report of the team currently reviewing the Department's organisation and management which I announced on 21 November in my reply to my hon. Friend the Member for Darlington (Mr. Fallon).

Citizens Advice Bureaux

16. **Mr. Wainwright** asked the Secretary of State for Trade and Industry if he will make a statement on the future funding of citizens advice bureaux.

Mr. Butcher: The Government will continue to fund the National Association of Citizens Advice Bureaux and the Scottish Association of Citizens Advice Bureaux. Funding of individual bureaux will remain primarily a matter for local authorities.

School Mini-companies

17. **Mr. Robert B. Jones** asked the Secretary of State for Trade and Industry whether he has any plans to see at first hand the work which is being done in school mini-companies to encourage a wider understanding of industry and commerce among schoolchildren.

Mr. Trippier: During Local Enterprise Week in May I will be visiting two schools: one in Tottenham, the other in Newcastle — both of which are running mini-enterprises.

Portugal and Spain

18. **Mr. James Lamond** asked the Secretary of State for Trade and Industry what discussions his Department has had with Portugal and Spain regarding the future of their textile exports to the United Kingdom following the accession by these two countries to the European Economic Community.

Mr. Channon: The arrangements for the Community's post-enlargement trade in textiles with Spain and Portugal were settled in the context of the Spanish and Portuguese accession negotiations.

Exports to the Community of 10 categories of Spanish textiles and 16 categories of Portuguese textiles will be subject to restraint for up to four years after accession.

British Leyland

19. **Mr. Yeo** asked the Secretary of State for Trade and Industry if he will meet the chairman of BL to discuss further public investment in the company.

Mr. Tebbit: The chairman has not requested such a meeting.

43. **Mr. Roger King** asked the Secretary of State for Trade and Industry when he expects BL's corporate plan to be published.

Mr. Norman Lamont: A review of BL performance in 1984 and the BL 1985 corporate plan will be placed in the Library when the Government's decisions on it are announced.

Mrs. Ann Winterton asked the Secretary of State for Trade and Industry (1) what has been the level of Government loans and investment in the truck divisions of British Leyland in each of the last five years;

(2) what has been the total level of Government grants and loans to British Leyland in each of the years since the acquisition by Her Majesty's Government of a majority shareholding.

Mr. Butcher: The information requested is as follows:

Total Government Assistance for BL

Financial Year	*Amount (£ million)*	*Description*
1975-76	46	Purchase of shares from shareholders
1975-76	200	Equity
1976-77	100	Loans (converted to equity in 1980)
1977-78	50	Loans (converted to equity in 1980)
1977-78	275	Short term loans (repaid 1978-79)
1978-79	−275	Repayment of short term loans
1978-79	450	Equity
1978-79	12	Equity for NEB stake in Wholesale Vehicle Finance Ltd.
1979-80	150	Equity
1980-81	300	Equity
1981-82	520	Equity
1982-83	370	Equity
1983-84	90	Equity
1984-85	NIL	

The overwhelming bulk of this money was paid as or later converted to equity in BL. It is not possible to distinguish how the funding was allocated to particular operating companies within BL.

Recycling and Reclamation (Ministerial Responsibility)

20. **Mr. Lord** asked the Secretary of State for Trade and Industry whether he will make a further statement on the responsibilities of his hon. Friend the Parliamentary Under-Secretary of State as Minister with co-ordinating responsibilities for recycling and reclamation.

Mr. Trippier: I will have a particular responsibility for identifying any inconsistencies or omissions in Government policy towards recycling and reclamation, but I will not have decision making powers in areas which are properly the responsibility of other Ministers.

Small Firms Local Enterprise Week

21. **Mr. Hargreaves** asked the Secretary of State for Trade and Industry whether he will make a statement about his latest plans for the forthcoming Small Firms Local Enterprise Week.

Mr. Trippier: The period from 15 to 24 May has been designated Local Enterprise Week. Local events throughout the country will highlight the importance of small businesses in the community and the range of facilities and organisations available to assist and advise them. A particular theme of the week will be importance of education and training. I shall be promoting the week with a national press conference and an extensive programme of local visits.

China

22. **Dr. Michael Clark** asked the Secretary of State for Trade and Industry what resources are being allocated by the United Kingdom Government's export agencies in 1985-86 in order to promote British exports to China.

Mr. Channon: Exports to China are supported by my Department, the Export Credits Guarantee Department, diplomatic posts and other agencies such as the Sino British Trade Council. It is not possible to forecast expenditure, much of which is responsive to exporters' demands.

Ethnic Minorities

23. **Mr. Alexander** asked the Secretary of State for Trade and Industry what support is given to individuals from ethnic minorities who wish to set up in business.

Mr. Trippier: The same as to those from ethnic majorities.

Amble

24. **Mr. Beith** asked the Secretary of State for Trade and Industry how many officials of his Department have visited Amble in pursuit of their official duties since he announced his decision to withdraw development status from the area.

Mr. Trippier: None since the issues were thoroughly considered before the announcement and have not materially changed since.

Confectionery Industry

25. **Mr. Ron Brown** asked the Secretary of State for Trade and Industry how much Government financial aid has been granted to companies in the confectionery industry during the past five years.

Mr. Butcher: Selective assistance for companies in the cocoa, chocolate and sugar confectionery industry amounted to £2¼ million over the last five years.

Financial Services

26. **Mr. Hanley** asked the Secretary of State for Trade and Industry if he will make a statement on the progress made in implementing the recommendations of his White Paper on financial services.

Mr. Tebbit: The House debated the White Paper on 24 April and gave a general welcome to its proposals. I am considering the comments received on the White Paper and work on preparing legislation is going ahead. Sir Kenneth Berrill and Mr. Mark Weinberg have been appointed to take charge of the preparations for setting up the proposed two new regulatory boards.

Post Office

27. **Mr. Marlow** asked the Secretary of State for Trade and Industry if, when he next meets the chairman of the Post Office, he will discuss its industrial relations.

Mr. Butcher: My right hon. Friend discusses all relevant matters during his meetings with the chairman.

Efficiency and Productivity (International Comparisons)

28. **Mr. Phillip Oppenheim** asked the Secretary of State for Trade and Industry whether he is satisfied with Britain's position in the international efficiency and productivity leagues.

Mr. Butcher: Since 1980 United Kingdom output per man hour in manufacturing has increased more rapidly than that of most major industrial countries. Up to the third quarter of 1984 growth was significantly greater only in the Netherlands and Japan. But there is scope for further improvement, and our policies are designed to provide the climate in which that can be achieved.

Companies (Financial Difficulties)

29. **Mr. Bowen Wells** asked the Secretary of State for Trade and Industry what actions his Department is taking to assist with the rehabilitation of companies in financial difficulties.

Mr. Trippier: I believe that the primary responsibility for the rehabilitation of a company in financial difficulties lies with its board of directors. But I am anxious to see that satisfactory procedures exist to enable the affairs of a company facing a financial crisis to be placed in the hands of an independent expert who will be able to pursue a programme for the rescue or re-organisation of the company's business. This is why the Government have incorporated in the Insolvency Bill, the company administration procedure which it was recommended should be established by the review committee on insolvency law and practice.

European Internal Market

30. **Sir David Price** asked the Secretary of State for Trade and Industry what support he intends to give the European Commission's 1985 programme to consolidate the European internal market; and, in particular, how he intends to implement the decision on a single administrative document.

Mr. Channon: The Government will press vigorously in the Council of Ministers for early adoption of all those proposals in the Commission's 1985 programme which make a positive contribution to liberalising trade in the internal market and improving the climate for business in the Community. The detailed implementation of the single administrative document is a matter for my right hon. Friend the Chancellor of the Exchequer.

Matthew Brown plc

31. **Mr. Campbell-Savours** asked the Secretary of State for Trade and Industry if he has yet received the reports of the Director General of Fair Trading on the proposed takeover of Matthew Brown plc by Scottish and Newcastle Breweries.

Mr. Channon: My right hon. Friend announced on 24 April that he had decided in accordance with the recommendation of the Director General of Fair Trading, to refer the proposed acquisition to the Monopolies and Mergers Commission.

Mr. Straw asked the Secretary of State for Trade and Industry whether he will refer to the Monopolies and Mergers Commission the bid by Scottish and Newcastle Breweries plc for Matthew Brown plc.

Mr. Tebbit: I announced on 24 April that I had decided, in accordance with the recommendations of the Director General of Fair Trading, to refer the proposed acquisition to the Monopolies and Mergers Commission.

COCOM

32. **Mr. Ashdown** asked the Secretary of State for Trade and Industry when he now expects to bring into operation the Export of Goods (Control) Order enacting the COCOM agreement of 1984; and if he will make a statement.

Mr. Channon: My right hon. Friend expects to make a new Export of Goods (Control) Order shortly; and to publish it on or about 12 June. It will enter into force six weeks after publication. It has not proved possible to publish the order earlier because of certain technical difficulties in its preparation.

Business Improvement Services

33. **Mr. Terlezki** asked the Secretary of State for Trade and Industry how many companies have been assisted under the business improvement services so far; and how much money has been disbursed.

Mr. Trippier: At 31 March 1985 my Department had received 1,218 applications for grants totalling £12·8 million; had made 462 offers totalling £2·48 million; and had made 15 payments worth £0·03 million under business improvement services to small firms in eligible steel, shipbuilding and textile areas in England. My right hon. Friend the Secretary of State for Wales had received 183 applications worth £1·44 million, and had made four offers worth £1,815 in respect of business improvement services for steel areas in Wales. No grant payments have yet been made in Wales.

35. **Mr. Galley** asked the Secretary of State for Trade and Industry how much expenditure under the business improvement services has been committed to date; how much has been spent in each eligible area; and how much expenditure he anticipates in the financial year 1985-86.

Mr. Trippier: Information on business improvement services in England for the period 26 November 1984 to 31 March 1985 is as follows:—

Area	*Value of Grants Committed (£)*	*Value of Grants Paid (£)*
England:		
North East Region	357,393	Nil
North West Region	560,295	1,500
Yorkshire and Humberside Region	1,337,783	24,849
East Midland Region	211,695	5,124
	2,467,166	31,473

My Department's estimated expenditure in England on business improvement services for 1985-86 is £8·65 million.

My right hon. Friend the Secretary of State for Wales has estimated that £2·1 million will be spent in 1985-86 on business improvement services in Wales. No grant payments have yet been made in Wales.

Steel Industry

34. **Mr. Hardy** asked the Secretary of State for Trade and Industry what plans he has for changes in the structure of the British steel industry during the next two years.

Mr. Norman Lamont: At present I have no definite plans although, as the House knows, I am considering proposals for a jointly owned company put forward by the British Steel Corporation and GKN.

Multi-fibre Arrangement

36. **Mr. Latham** asked the Secretary of State for Trade and Industry whether he will make a statement on the latest position regarding the renewal of the multi-fibre arrangement.

Mr. Channon: The European Commission will need to express a view on behalf of member states at the meeting of the GATT textiles committee in July as to whether the multi-fibre arrangement should be extended, modified or discontinued. The Government are still considering carefully what our policy should be.

"Burdens on Business"

37. **Mr. Bellingham** asked the Secretary of State for Trade and Industry when he plans to implement the proposals contained in his Department's report, "Burdens on Business."

Mr. Trippier: We are already implementing some of the proposals—in the areas of VAT, wages councils, employment protection; in others, further work and consultation will be necessary before firm decisions are taken. My right hon. and noble Friend the Minister without Portfolio is co-ordinating the Government's drive to reduce regulatory burdens as a whole and to ensure that the impetus of the scrutiny is maintained.

Exports (Value)

38. **Mr. Kenneth Carlisle** asked the Secretary of State for Trade and Industry what has been the increase in the value of exports over the past year.

Mr. Channon: In the 12 months ending March 1985, exports increased by £11·1 billion, compared with the previous 12 months.

United States of America

39. **Mr. Maude** asked the Secretary of State for Trade and Industry what assessment he has made of current prospects for trade between the United Kingdom and the United States of America.

Mr. Channon: There are excellent prospects for a further substantial increase in our manufactured exports to the United States in 1985.

Japan

40. **Mr. Andrew MacKay** asked the Secretary of State for Trade and Industry if he will make a statement on current trade with Japan.

Mr. Channon: United Kingdom exports to Japan rose by 16 per cent. in 1984 to reach nearly £1 billion but the trade deficit also increased to nearly £3 billion.

British Telecom (Contracts)

41. **Mr. Alton** asked the Secretary of State for Trade and Industry if he will make it his policy to promote the interests of British manufacturers in winning contracts with British Telecom.

Mr. Butcher: I wish to see British manufacturers win contracts wherever they arise.

Information Technology Industry

42. **Mr. Maclean** asked the Secretary of State for Trade and Industry what action his Department is taking to deal with the problem of skill shortages in the information technology industry.

Mr. Butcher: The information technology skill shortages committee, which I chair, was set up last year to look into this problem and hopes to issue its final report shortly. This will summarise progress made so far and make further recommendations for action. An important result of the committee's work has been the establishment by industry of the Information Technology Skills Agency, under the aegis of the CBI Education Foundation, to interpret industry's needs to the higher education system and to co-ordinate industrial support. In addition, the Department of Trade and Industry is contributing £12·5 million to the £43 million which the Government have allocated for the provision of additional higher education placed in engineering and technology over the next three years.

Inward Investment

44. **Mr. Neil Hamilton** asked the Secretary of State for Trade and Industry what measures his Department is taking to attract inward investment into the United Kingdom.

Mr. Trippier: The Invest in Britain bureau within my Department, in collaboration with all the main British public sector inward investment bodies and the private sector, is mounting a major promotional campaign—Britain Means Business—over the coming year. The camaign will be incremental to the bureau's normal promotional activities, and will aim to consolidate and improve upon the United Kingdom's standing as the preferred location in Europe for direct investment.

Sanitary Ware

45. **Mrs. Ann Winterton** asked the Secretary of State for Trade and Industry what was the total value of imports of sanitary ware from Belgium in 1984.

Mr. Channon: United Kingdom imports of sanitary ware from Belgium-Luxembourg reached a provisional total of £2·9 million (cif) in 1984.

Source: Data corresponding to SITC/R2, Sub-groups 697·5, 812·2 and 893·2 of the UK Overseas Trade Statistics.

Low Pay (Northern Region)

47. **Mr. Nicholas Brown** asked the Secretary of State for Trade and Industry what is his response to the recent publication produced by the Low Pay Unit and the northern region of the General Municipal Boilermakers and Allied Trades Union on the subject of low pay in the northern region, a copy of which has been sent to him.

Mr. Trippier: I have not received a copy of the report to which the hon. Member refers; but have subsequently seen the report. I note that its recommendations are addressed to trade unions and local authorities. The hon. Member cannot expect me to agree with much of the report's content and in particular the comments on Government policies.

British Insurance Companies (West Germany)

Sir David Price asked the Secretary of State for Trade and Industry whether he will make representations to the West German Government to persuade them to remove their restrictions upon the freedom of British insurance companies to trade in the Federal Republic contrary to the spirit of the second directive on non-life insurance.

Mr. Fletcher: We take every opportunity to press for progress towards a free Community market for non-life insurance services business and I went to Bonn in February specifically for discussions on this point with the Ministry of Finance. We are also intervening in support of the Commission of the European Communities in a case which it is bringing against Germany in the European Court of Justice about certain provisions of German insurance law which the Commission considers contravene the freedom of services provisions of the EEC treaty.

Technological Innovation

Mr. Bellingham asked the Secretary of State for Trade and Industry what steps he is taking to help British manufacturing industry and, in particular, smaller firms to understand the benefits and problems of technological innovation including adoption of micro electronics.

Mr. Butcher: Following last year's successful series of seminars on innovation in industry, the Department has again joined forces with Barclays Bank, PA Technology and Michael Shortland Associates to provide an updated programme for 1985; this will begin on 1 May in London and will continue at 23 other regional cities during the year.

The seminars will be especially valuable to smaller firms and financial organisations who provide funds and offer advice for innovative projects. They will cover financial and managerial issues relevant in both new and traditional industries, and will draw on examples of successful innovation including incorporation of microelectronics in products and manufacturing processes.

Citizens Band Radio

Mr. Cartwright asked the Secretary of State for Trade and Industry when he now expects to reply to the letter of 14 January from the hon. Member for Woolwich about television interference in Maryon Road, London SE7, caused by citizens band radio.

Mr. Butcher: Immediately.

Mr. Cartwright asked the Secretary of State for Trade and Industry how many complaints about citizens band radio in the London area are currently being investigated by his Department's radio investigation service.

Mr. Butcher: Complaints about television and radio reception rarely specify the source of the problem. Since the source of the problem is often identified only after investigation by the radio investigation service it is not possible to say how many complaints currently in hand relate to citizens band radio.

Mr. Cartwright asked the Secretary of State for Trade and Industry how many operational staff are employed by his Department's radio investigation service in the London area; and how many prosecutions have been undertaken for illegal operation of citizens band radio over the past five years.

Mr. Butcher: The London RIS has 23 officers including three clerical staff. Between 1980-84, 6,292 people were prosecuted for illicit use of CB. Of these, 6,216 were convicted of offences under the Wireless Telegraphy Acts 1949 and 1967.

Broadcasting (Interference)

Mr. Cartwright asked the Secretary of State for Trade and Industry what is the average length of time taken to deal with a complaint of interference to broadcast reception in the London area; and what steps are being taken to improve it.

Mr. Butcher: The average waiting time for the first visit is three months in north London and six weeks in south London. Subsequent visits may be necessary to resolve a case. The Department is currently reviewing the activities of the radio investigation service and the information available to the public on dealing with broadcast reception problems, with a view to making the most effective use of the available resources.

Regional Industrial Policy

Mr. Ron Davies asked the Secretary of State for Trade and Industry when he next intends meeting representatives of the Association of District Councils to discuss regional industrial policy.

Mr. Trippier: My right hon. Friend the Minister of State for Local Government is seeing representatives from the Association of District Councils on 13 May to discuss their document "The Urban Dimension in the 80's", and I will be attending that meeting. The discussion is expected to focus primarily on specific urban policy issues, but it is likely that matters of wider concern embracing regional industrial policy will also be raised.

Vehicle Exports

Mrs. Ann Winterton asked the Secretary of State for Trade and Industry what information he has concerning the total value of exports of trucks in each of the last five years for which figures are available.

Mr. Butcher: The information is as follows:

United Kingdom exports

	£ million (fob)
1980	300
1981	247
1982	216
1983	155
*1984	147

Source: SITC/R2 Sub-groups 782.1 (part) and 784.1 (part).
Note: *1984 figures are provisional.

British Tourist Authority

Mr. Parry asked the Secretary of State for Trade and Industry what matters were discussed at his meeting with the chairman of the British Tourist Authority on 15 April.

Mr. Norman Lamont: Progress on the tourism review initiatives and potential opportunities to encourage the UK tourist industry.

National Metrological Co-ordinating Unit

Mr. Brinton asked the Secretary of State for Trade and Industry when he expects to publish the annual report of the national metrological co-ordinating unit as required by section 9(1) of the Weights and Measures Act 1979.

Mr. Fletcher: The report covering the period 1 April 1983 to 31 March 1984 has been published today. I have arranged for copies of the report, which includes the audited statement of accounts, to be placed in the Library.

Mixed Credits

Mr. Hayward asked the Secretary of State for Trade and Industry what is the policy of Her Majesty's Government towards the elimination of mixed credits.

Mr. Channon: Our policy is to seek agreement within OECD to tighten effective multilateral restrictions over the use of mixed credits and equivalent measures, and to their eventual phasing out.

SOCIAL SERVICES

Rates and Rent (Rebates and Allowances)

Mr. Deakins asked the Secretary of State for Social Services how many households were in receipt of rate rebates and rent rebates and allowances in the London borough of Waltham Forest in each year since 1978-79.

Mr. Whitney: The estimated number of households receiving rent rebates, rent allowances and rate rebates in the London borough of Waltham Forest in the years requested is as follows:

Year	*Rent rebates*	*Rent allowances*	*Rate rebates*
1978-79	3,100	2,400	Not available
1979-80	3,000	2,200	12,900
1980-81	3,100	2,200	13,800
1981-82	3,400	2,200	16,800
1982-83*	8,200	2,300	22,500
1983-84	9,400	5,600	27,600
1984-85	13,200	7,200	30,400

* Includes from November 1982 for some and from April 1983 for all cases assistance with rent and rates formerly met through supplementary benefit.

Benefits

Mr. Wilson asked the Secretary of State for Social Services (1) if he will publish the rates of weekly payment and time limit set for each of the Scottish offices of his Department under the Supplementary Benefit (Requirements and Resources) (Miscellaneous Provisions) Regulations 1985; how many claimants aged under 26 years will be affected; and what is his estimate of the annual savings in Scotland which will accrue from these changes;

(2) what rates of weekly payment and duration of stay have been authorised for Dundee under the Supplementary Benefit (Requirements and Resources) (Miscellaneous Provisions) Regulations 1985; how many claimants aged under 26 years will be affected in each of the Dundee, East and West offices: and what is his estimate of yearly savings.

Mr. Whitney: Details of the maximum amounts of supplementary benefit allowed for ordinary board and lodging and the periods for payment as a boarder for certain unemployed clamants aged 25 and under are set out in annex B of the Government's response to the report of the Social Security Advisory Committee (Cmnd. 9467), a copy of which is in the Library. Separate figures on the numbers of affected claimants and the estimated savings in Dundee and Scotland are not available and could be obtained only at disproportionate cost.

Ms Harman asked the Secretary of State for Social Services what is the number of people in the borough of Southwark claiming supplementary benefit in January; and what was the corresponding figure for each of the preceding six years.

Mr. Whitney: The Borough of Southwark is covered by nine of the department's offices and their boundaries are not conterminous. The total number of persons claiming supplementary benefit from those offices in February (the nearest date to the month requested for which figures are available) of each year since 1979 was:

Year	*Number*
1979	47,637
1980	46,583
1981	53,711
1982	67,903
1983	76,883
1984	81,896
1985*	90,403

* The figure for February 1985 is provisional.

Mr. Ashdown asked the Secretary of State for Social Services if he will identify or estimate the number of recipients of supplementary benefit in the south west of Wales and the south west region, in February of each year since 1983.

Mr. Whitney: The number of persons in receipt of supplementary benefit in the south-west of Wales and the south western region in February of each year since 1983 was:

	South West Wales	*South Western Region*
1983	64,933	309,719
1984	67,613	315,589
*1985	73,250	336,381

* The figure for February 1985 is provisional.

Mr. Sean Hughes asked the Secretary of State for Social Services what is the average payment of social security benefits to unemployed claimants in each region of Great Britain.

Mr. Whitney: The information requested is not available and could be obtained only at disproportionate cost.

Glaucoma

Mr. Pavitt asked the Secretary of State for Social Services if he or his departmental officials have participated in National Glaucoma Action Week; what consultations he has had with the International Glaucoma Association; and if he will make a statement.

Mr. John Patten: I refer the hon. Member to my reply to the hon. Member for Eccles (Mr. Carter-Jones) on 3 April at column *640*.

Renal Failure

Mr. Pavitt asked the Secretary of State for Social Services if he will list in the *Official Report* the percentage of renal failure patients who were treated by dialysis in each of the regional health authorities in England in the last year for which statistics are available.

Mr. John Patten: According to information supplied by the European Dialysis and Transplant Association, the percentage of renal patients receiving treatment by dialysis at 31 December 1982, the latest year for which reliable statistics are available, was as follows:

Percentage of renal patients receiving

Region	*Haemodialysis*	*Peritoneal Dialysis*	*Total*
Northern	35·3	22·4	57·7
Yorkshire	50·1	17·2	67·3
Trent	54·5	16·7	71·2
East Anglian	39·6	1·9	41·5
North West Thames	43·7	8·1	51·8
North East Thames	40·1	17·8	57·9
South East Thames	36·3	8·7	45·0
South West Thames	32·5	30·2	62·7
Wessex	40·8	8·3	49·1
Oxford	34·5	14·1	48·6
South Western	49·9	14·2	64·1
West Midlands	41·1	12·4	53·5
Mersey	41·5	11·6	53·1
North Western	41·2	15·3	56·5

Cervical Cancer

Mr. Nicholas Brown asked the Secretary of State for Social Services what recommendations he is making to health authorities in the north of England regarding follow up procedures after smear testing for cervical cancer has been carried out.

Mr. Kenneth Clarke: I refer the hon. Member to my reply on 29 April to my hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox) at columns *49-50*.

In Vitro Fertilisation

Mr. Favell asked the Secretary of State for Social Services if he will list by region the expected waiting time for women requiring in vitro fertilisation treatment.

Mr. Kenneth Clarke: We do not hold this information centrally.

Health Authorities (Statistics)

Mr. Dobson asked the Secretary of State for Social Services if he will give for each district health authority the name of the chairman and the total annual payments made to each of them in that capacity in the last year for which figures are avilable.

Mr. John Patten: Information on payments made to individual chairmen is not held centrally. Details of the honoraria and expenses which may be claimed are given in my reply of 23 October 1984 to the hon. Member for Brent South at column *569*. The current rates payable are set out in PM(84)19, copies of which have been placed in the Library. The names of the current district health authority chairmen are as follows:

Health Authority	*Chairman*
Northern Region	
Darlington	Mr. W. S. Newton MBE JP
Durham	Mrs. M. Todd JP
East Cumbria	Mr. R. Carr OBE
Gateshead	Mr. J. W. Dowdeswell
Hartlepool	Mr. B. Hanson OBE
Newcastle	Mr. A. C. Taylor
Northumberland	Mr. G. Whitehouse
North Tees	Mr. J. A. Tatchell
North Tyneside	Mrs. S. M. Murray CBE
North West Durham	Mr. J. S. Walton JP
South Cumbria	Mrs. J. W. Craven
South Tees	Mrs. A. Collins MBE
South Tyneside	Mr. W. M. Darling OBE
South West Durham	Mrs. E. Wallis
Sunderland	Mr. E. G. Turner
West Cumbria	Mr. P. Baines
Yorkshire Region	
Airedale	Mr. J. S. Bell
East Yorkshire	Mr. J. H. Hooper
Bradford	Mr. J. Royston Moore
Calderdale	Mr. A. Templeman JP
Dewsbury	Mr. S. Lyles CBE
Grimsby	Mr. R. Blair
Harrogate	The Viscount Mills
Huddersfield	Mr. P. Wood
Hull	Dr. N. C. Varey
Leeds Eastern	Mrs. P. C. Solk JP
Leeds Western	Mr. R. W. J. Wood
Northallerton	The Very Reverend B. Ormerod
Pontefract	Mr. R. Widdowson
Scarborough	Mr. W. Peirson JP
Scunthorpe	Mr. J. Mason
Wakefield	Sir J. Smart CBE JP
York	Mr. J. Haslinger
Trent Region	
Barnsley	Cllr. J. D. Wake
Bassetlaw	Cllr. W. E. Bloomer
Central Nottinghamshire	Cllr. Mrs. J. R. Foster JP
Doncaster	Mr. M. C. Foy
Leicestershire	Cllr. Mrs. M. P. Galsworthy
North Derbyshire	Mr. R. B. Robinson JP
North Lincolnshire	Mr. P. G. Hodgkinson
Nottingham	Mr. E. S. Poyser JP
Rotherham	Mr. V. M. Thornes
Sheffield	Mr. S. L. Speight OBE
South Derbyshire	Mr. A. Lamb CBE JP
South Lincolnshire	Dr. J. D. Brackenridge JP
East Anglian Region	
Cambridge	Mr. S. L. Bragg
East Suffolk	Mr. T. R. Edmundson JP
Great Yarmouth and Waveney	Mr. J. Noel Johnson JP
Huntingdon	Air Vice-Marshall R. Bullen
Norwich	Mr. R. Frostick
Peterborough	Mr. T. Gibson
West Norfolk and Wisbech	Mrs. G. Sherphard JP
West Suffolk	Mr. M. D. Corke JP
North West Thames Region	
Barnet	Dr. T. J. Carter
Brent	Mr. I. Kingston
Ealing	Mr. R. Hetherington
East Hertfordshire	Mr. G. W. Seward
Harrow	Mr. J. A. Shrimpton JP

Health Authority	Chairman
Hillingdon	Mr. A. C. Barrett JP
Hounslow and Spelthorne	Mrs. T. Golding
North Bedfordshire	Mr. G. D. Hitchcock CBE
North Hertfordshire	Cllr. I. Dixon
North West Hertfordshire	Mr. N. Tiley
Paddington and North Kensington	Mrs. B. J. Banham
South Bedfordshire	Cllr. Mrs. B. Dodd
South West Hertfordshire	Mr. R. Fielding JP
Riverside	Mr. G. T. Howd
North East Thames Region	
Barking, Havering and Brentwood	Mr. S. H. A. Shaw JP
Basildon and Thurrock	Mrs. J. C. Martin
Bloomsbury	Dr. J. E. O. Dunwoody
City and Hackney	Mr. E. D. R. Stone QC
Enfield	Mr. W. Godfrey
Hampstead	Mr. W. H. W. Wells
Haringey	Mr. L. A. Bains CBE
Islington	Mr. E. Moonman
Mid-Essex	Dame Elizabeth Coker DBE
Newham	Lady Sherman JP
North East Essex	Mr. J. Minter
Redbridge	Cllr S. G. Curtis
Southend	Cllr. R. M. Williams
Tower Hamlets	Mr. F. M. Cumberlege CBE
Watham Forest	Mr. S. Wayne
West Essex	Cllr. Mrs. M. R. Davy
South East Thames Region	
Bexley	Mrs. M. Barron
Brighton	Mrs. J. F. Cumberlege
Bromley	Mr. R. F. Ashmole
Camberwell	Sir Frank Mills
Canterbury and Thanet	Dr. J. F. J. Todd
Dartford and Gravesham	Dr. G. B. Stratton
Eastbourne	Mr. D. J. B. Platt
Greenwich	Mr. N. J. G. Thompson
Hastings	Mr. R. W. Elliot
Lewisham and North Southwark	Mr. P. W. Barker
Maidstone	Mrs. A. Nelson
Medway	Dr. S. Cox
South East Kent	Mr. J. A. Shourbridge
Tunbridge Wells	Sir John Grugeon
West Lambeth	Mr. L. D. Cowan
South West Thames Region	
Chichester	Mrs. A. Munro CBE
Croydon	Dr. Maureen B. Adams
Mid Downs	Cllr. M. H. Long
East Surrey	Cllr. C. G. P. Alderson
Kingston and Esher	Mr. G. A. Turner OBE
Merton and Sutton	Cllr H. A. Cowd
Mid Surrey	Dr. J. E. Royds
North West Surrey	Cllr. Mrs. M. J. Reid JP
Richmond, Twickenham and Roehampton	Mrs. H. Earle JP
South West Surrey	Mr. P. A. J. Salmon
Wandsworth	Mr. S. P. Dougherty
West Surrey and North East Hampshire	Dr. A. J. Blowers JP
Worthing	Mr. E. M. Bird JP
Wessex Region	
Basingstoke and North Hampshire	Dr. D. Burrell
Bath District	Mr. R. W. Buchanan
East Dorset	Mr. D. A. Smith CBE
Isle of Wight	Mr. D. A. R. Naylor BEM
Portsmouth and South East Hampshire	Dr. A. J. Taylor
Salisbury	Mr. B. A. W. Savage
Southampton and South West Hampshire	Prof. J. B. L. Howell
Swindon	Sir Maurice Dorman
West Dorset	Mr. D. J. Downham MBE
Winchester	Lord Northbrook JP
Oxford Region	
Aylesbury Vale	Cllr. Mrs. G. Miscampbell
East Berkshire	Dr. D. M. McWilliams
Kettering	Mr. R. P. Seddon JP
Milton Keynes	Cllr. L. H. Cowley
Northamptonshire	Mr. S. G. Schanschniff JP
Oxfordshire	Mrs. C. Miles
West Berkshire	Prof. F. Hampson
Wycombe	Mr. J. E. Camp
South Western Region	
Bristol and Weston	Mr. C. N. Clarke
Cornwall and Isles of Scilly	Mr. A. Coleman
Cheltenham and District	Mr. R. C. Stow
Exeter	Mr. M. French
Frenchay	Mrs. Barbara Young JP
Gloucester	Mr. E. J. G. Cantwell
North Devon	Mrs. R. A. Day
Plymouth	Mr. J. R. Trahair
Somerset	Mrs. C. Heath
Southmead	Mr. R. F. Mellor
Torbay	Mr. A. J. Boyce
West Midlands Region	
Bromsgrove and Redditch	Dr. L. Honigsberger
Central Birmingham	Mr. C. J. Walliker
Coventry	Mr. H. Clarke
Dudley	Dr. R. J. H. Guy MBE
East Birmingham	Mr. A. J. Prescott
Herefordshire	Mr. J. S. Champion OBE
Kidderminster and District	Mr. M. R. Cooper
Mid Staffordshire	Mr. H. Mellor
North Birmingham	Mr. J. H. D. Pearce
North Staffordshire	Prof. R. Dyson
North Warwickshire	Mr. G. N. Jackson
Rugby	Mr. L. Anderton MBE JP
Sandwell	Mr. W. Timmington JP
Shropshire	Mr. F. J. Jones
Solihull	Mr. J. A. Black CBE
South Birmingham	Mr. J. Charlton
South East Staffordshire	Cllr. Mrs. M. Stanhope JP
South Warwickshire	Mr. S. W. T. Birch
Walsall	Mr. A. A. Hill CBE
West Birmingham	Mr. G. A. D. Coghlan OBE JP
Wolverhampton	Mr. P. A. Tredrea
Worcester and District	Cllr G. Bruce-Morgan
Mersey Region	
Chester	Mrs. Anne Boddington
Crewe	Mr. J. H. Perry
Halton	Mrs. K. E. W. Richardson JP
Liverpool	Mr. L. F. Pocock
Macclesfield	Cllr. J. Millet JP
Southport and Formby	Mrs. I. D. Sell JP
St. Helens and Knowsley	Mr. G. McNamara
South Sefton	Mr. A. R. Lewis
Warrington	Mr. D. Hannah
Wirral	Mrs. P. A. Roberts
North Western Region	
Blackburn, Hyndburn and Ribble Valley	Mr. W. I. Woolley
Blackpool, Wyre and Fylde	Mr. J. D. Grime JP
Bolton	Vacancy
Burnley, Pendle and Rossendale	Miss M. B. Jobling
Bury	Mr. A. Clayton JP
Central Manchester	Mr. K. Collis
Chorley and South Ribble	Mr. I. Sellers JP
Lancaster	Dr. S. Smith
North Manchester	Prof. J. Moore
Oldham	Mr. A. J. Adler
Preston	Mr. T. Finney
Rochdale	Cllr. Mrs. P. N. E. Hawton
Salford	Dr. F. Beswick
Stockport	Mr. F. Richards
South Manchester	Mr. G. R. Legat
Tameside and Glossop	Lady Kenyon

Health Authority	Chairman
Trafford	Mrs. S. D. Alexander
West Lancashire	Rev. Cannon W. H. Bullough
Wigan	Mr. A. Heckles JP

Health Authorities (Competitive Tendering)

Mr. Dobson asked the Secretary of State for Social Services when he advised health authorities that contracts for ancillary services should not be determined without prior consultation with his Department.

Mr. Kenneth Clarke: On 25 March 1985. We simply wish to ensure that authorities are acting reasonably, making efforts to secure better standards and taking decisions solely in the interests of the service and patients. We are particularly anxious to continue to ensure that no contract is determined simply as a result of political pressure or industrial action.

Mr. Dobson asked the Secretary of State for Social Services if he will name, for each tendering exercise of which his Department is aware and which was completed since the last named in his answer of 28 January, *Official Report*, column *55*, the health authority and the hospital concerned and the successful tenderer.

Mr. Kenneth Clarke: We are aware of the following additional cases:

Health Authority	Hospital	Contractor or In-House
Domestic		
Bromley	Cane Hill	Exclusive
Chester	Chester Royal Infirmary	In-house
Chichester	Chichester	Crothalls
Cornwall/Isles of Scilly	Camborne/ Redruth	Crothalls
Crewe	Cranage Hall	ISC
East Berkshire	St. Marks	In-House
East Birmingham	Yardley Green	Crothalls
East Suffolk	St. Clements	In-House
East Surrey	East Surrey	Crothalls
East Surrey	Netherne/Hill Crest	RCO
Great Yarmouth	Lowestoft	Reckitts
Great Yarmouth	St. Nicholas	In-House
Halton	Halton DGH	Mediclean
Mid Essex	Bridge	Mediclean
Mid Essex	Chelmsford	Mediclean
National Heart Hospital		Sunlight
Newcastle	Walkergate	In-House
Nottingham	Queens Medical Centre	In-House
North East Essex	Colchester	ICC
Norwich		Reckitts
Oxford	Abingdon	In-House
Oxford	Churchill	RCO
Paddington/N. Kensington	St. Marys	Berkeley-Taylorplan
Peterborough	Peterborough District	In-House
Somerset	Yeovil	HHS
South Bedfordshire	Fairfield	In-House
South East Staffordshire	Burton	Mediclean
South Warwickshire	Warneford	Crothalls
Southampton	Princess Anne	In-House
Victoria	St. Mary Abbots	Crothalls
Victoria	Westminster	Crothalls
Warrington	Winwick	RCO
West Suffolk	District HQ/ Health Centre	In-House
Worcester	Worcester Royal Infirmary	In-House
York	City	ICC
York	Claypenny	In-House
Catering		
Frenchay	Frenchay	Spinneys
Halton	Halton DGH	In-House
Kingston/Esher	Surbiton and others	In-House
Merton and Sutton	Sutton	In-House
Mid Staffordshire		In-House
Northumberland	Tynedale	In-House
Paddington	Samaritan	In-House
Solihull	Hollymoor	In-House
Somerset	North Fry	In-House
Somerset	Tone Vale	In-House
Torquay	North/East Sector	In-House
Laundry		
Croydon		Sunlight
Great Yarmouth		Co-op
Harrow	Northwick Park	Brent HA
Hounslow		Sunlight
Kingston and Esher		Advance
Mid Essex		N. E. Essex HA
Mid Surrey	Manor Hospital	In-House
North Devon		Exeter HA
Northumberland		In-House
North Tyneside		In-House
Pontefract	Southmoor	In-House
Richmond/Twickenham, Roehampton		Initial
Scarborough	St. Marys	In-House
Sheffield		In-House
Southmead		Bristol/Weston HA
Victoria	Westminster	In-House
Victoria	St. Mary Abbots	In-House
West Essex		In-House
West Norfolk		Peterborough HA
West Surrey/N. E. Hants		In-House

Ambulance Service

Mr. Dobson asked the Secretary of State for Social Services whether he is satisfied with South-West Thames regional health authority's provision of an ambulance service in Greater London.

Mr. John Patten: We are more than satisfied; the London ambulance service provides an excellent service to the population of the Greater London area. I am sure that the chairman of the South-West Thames regional health authority, which manages the London ambulance service on behalf of the three other Thames regions, would be pleased to provide the hon. Member with further information.

Mr. Dobson asked the Secretary of State for Social Services, pursuant to his answer of 11 March, *Official Report*, column *65*, if he will give for each year since 1975 the number of ambulance service journeys carrying non-National Health Service patients and the total mileage involved.

Mr. John Patten: The information requested is as follows:

Ambulance Services. Non-NHS Patients. England

Thousands

	*Number of patient journeys**	*Mileage*
1975	712	4,328
1976	489	3,221
1977	368	2,540
1978	280	2,076
1979†	206	1,808
1980	223	1,830
1981	165	1,504
1982	149	1,271
1983	141	1,157

* A 'patient journey' is the carriage of one patient in one direction.
† 1979 data cover a period of industrial dispute early in 1979.

Supplementary Benefit

Mr. Clay asked the Secretary of State for Social Services (1) what was the total amount of supplementary benefit paid for mortgage interest in each of the past 10 years;

(2) what is the total number of claimants whose mortgage interest was paid under supplementary benefit in each of the past 10 years.

Mr. Whitney: Information is not available in the precise form requested. The estimated amount of money added in the assessment of mortgage interest and ground rent, together with the number of claimants for each year from 1974 to 1982, which are the latest figures available, is as follows:

Year	*Claimants*	*Amount added in Assessment £ million*
1974	84,000	11
1975	98,000	20
1976	123,000	27
1977	124,000	33
1978	105,000	26
1979	98,000	31
1980	134,000	71
1981	196,000	124
1982	235,000	170

Source: Annual Statistical Enquiries.

NHS Hospitals (Medical Cover)

Mr. Dobson asked the Secretary of State for Social Services what percentage of National Health Service hospitals with operating theatres do not provide 24-hour cover by medical practitioners.

Mr. Kenneth Clarke: Patients are admitted into hospitals to the care of medical practitioners. We would expect a responsible medical practitioner to be available, whether on site or on call, at all times.

Health Authorities (Private Patient Income)

Mr. Dobson asked the Secretary of State for Social Services whether any regional health authority has taken into account districts' budgeted income from private patients and other charges in its resource allocations for any year since 1979; and whether his Department has issued any guidance on this subject.

Mr. Kenneth Clarke: We have issued no general guidance to regional health authorities on the treatment of income to districts in determining resource allocations, and we do not collect full and detailed information about Regions' practice in this respect. Our recent guidance on income from blood handling charges does, however, ask for such income to be used to help increase plasma production, and regions will need to take this into account when distributing resources to districts.

Pay Beds

Mr. Dobson asked the Secretary of State for Social Services whether all National Health Service hospitals which have wards or wings specifically set aside for private inpatients use the beds therein for non-paying National Health Service patients when they are not fully occupied by private patients.

Mr. Kenneth Clarke: We expect health authorities to make good use of all the beds that they have. There is a statutory requirement that the use of accommodation and services for private patients will not to a significant extent operate to the disadvantage of National Health Service patients and one of the six principles on private practice which we agreed with the medical profession states that single rooms should not be held vacant for potential private use longer than the usual time between National Health Service patient admissions.

Nurses (Training)

Mr. Dobson asked the Secretary of State for Social Services if he will give for the latest year for which the figures are available the number of nurses who have completed a training course for the state registered qualification in *(a)* the Royal Masonic hospital, *(b)* Cheadle Royal hospital, *(c)* St. Andrew's hospital, Northampton and *(d)* any other private hospitals.

Mr. Kenneth Clarke: The former qualification for the state register has, from 1 July 1983, been defined as that for first level nursing. First level nurses are on various parts of the register including general nursing, nursing of people suffering from mental illness and nursing of people suffering from mental handicap.

I understand from the English National Board for Nursing, Midwifery and Health Visiting, which keeps such information, that the numbers of nurses who completed a training course for the first level nursing qualification for the year ended 31 March 1985 were as follows:—

	Number
a. the Royal Masonic hospital*	‡60
b. Cheadle Royal hospital	‖15
c. St. Andrew's hospital Northampton†	‖25
d. any other private hospital	NIL

* The Royal Masonic hospital nurse training school is combined with the NHS nurse training school at Queen Mary's hospital, Roehampton and for each nurse the training course involves both sectors.
† The training at St. Andrew's hospital, Northampton is in conjunction with the NHS Northampton hospital school of nursing.
‡ (General).
‖ (Mental Illness).

Private Patients (Charges)

Mr. Dobson asked the Secretary of State for Social Services if he will place in the Library a note setting out

the formulae and figures used to calculate the 1985-86 charges to private resident patients under section 65 of the National Health Service Act 1977.

Mr. Kenneth Clarke: Yes. The note is being placed in the Library today.

Consultants

Mr. Dobson asked the Secretary of State for Social Services if he will institute a survey to determine the number of hours a week devoted to *(a)* National Health Service work and *(b)* private practice by consultants, broken down by specialty, by region and by type of contract, whether whole-time, maximum part-time or part-time, honorary.

Mr. Kenneth Clarke: A survey as suggested by the hon. Member would not be of operational value to the National Health Service and we have no plans to commission one.

Board and Lodging Allowance

Mr. Clay asked the Secretary of State for Social Services how many claimants under 26 years of age in *(a)* Sunderland, North, *(b)* the borough of Sunderland and *(c)* Tyne and Wear currently draw board and lodging allowance.

Mr. Whitney: Separate figures for the Tyne and Wear area are not available and could be obtained only at disproportionate cost.

Patients (North-Western Region)

Mr. Nicholas Winterton asked the Secretary of State for Social Services (1) what information he has concerning the total numbers of inpatients dealt with in hospitals in the north-western region in each of the years since 1975;

(2) what information he has concerning the total number of outpatients seen at hospitals in the north-west region in each of the years since 1975.

Mr. John Patten: The information requested is given in the table. Day case attendances are included to complete the picture.

National Health Service hospitals in North Western Regional Health Authority

Year	*Inpatient cases*	*Day case attendances*	*New outpatient attendances*	*Total attendances of outpatients*
1975	453,481	46,613	607,337	2,737,230
1976	486,176	53,471	665,723	2,923,251
1977	502,856	60,068	686,649	3,029,517
1978	511,674	68,080	707,676	3,149,423
1979	509,049	70,608	699,717	3,156,219
1980	541,776	79,217	718,767	3,289,191
1981	554,967	88,143	728,869	3,339,335
1982	553,727	85,874	747,445	3,388,033
1983	585,667	99,994	768,578	3,492,227

Medical Services (North-Western Region)

Mr. Nicholas Winterton asked the Secretary of State for Social Services (1) what information he has concerning the numbers of *(a)* general practitioners, *(b)* hospital doctors and *(c)* consultants operating in the north-western region in each of the years since 1978;

(2) if he will give a breakdown by region of the total numbers of medical personnel employed in the north-western region in each of the years since 1978.

Mr. Kenneth Clarke: The numbers of general practitioners, hospital doctors and consultants operating in the north-western region, and the total numbers of medical personnel employed in this region at 30 September in each year since 1978 are given in the table. It is not possible to provide a sensible breakdown in more detail for medical personnel as a large proportion are employed by the regional health authority itself, although they work in the district. Many doctors also work in more than one district within the region. We do not collect centrally information on the allocation of time worked between districts for staff whose contract is with the RHA.

Year	*General Medical Practitioners**	*All Hospital Doctors†*	*Consultants*	*Total Medical Personnel‡*
1978	1,877	2,833	1,008	3,380
1979	1,915	2,926	1,034	3,477
1980	1,981	2,985	1,050	3,562
1981	2,047	3,097	1,085	3,699
1982	2,056	3,183	1,126	3,780
1983	2,118	3,247	1,163	3,868
1984	2,139	3,246	1,180	3,853

Note: The figures are for numbers of staff (not whole time equivalents) and excluded locums, hospital practitioners and part-time medical officers (clinical assistants).

* General practitioners include all principals, assistants and trainees, and relate to 1 October.

† Hospital doctors include consultants.

‡ Total medical personnel include hospital and community health doctors, but exclude general practitioners, who are not directly employed by North Western Region.

Mr. Nicholas Winterton asked the Secretary of State for Social services what information he has concerning the number of midwives and health visitors employed in the north-western region in each of the years since 1978.

Mr. Kenneth Clarke: The figures requested are as follows:

North-Western Region

*Whole-time equivalent**

Staff in post at 30 September	*Midwives†*	*Health visitors‡‖*
1978	1,510	880
1979	1,550	920
1980	1,710	890
1981	1,680	910
1982	1,700	920
1983	1,850	1,050

* All figures are rounded to the nearest 10.

† Includes all state certified hospital and community midwives. Excludes agency staff.

‡ Includes health visitors in both the community and school health services, health visitor field work teachers, TB visitors with HV certificates, dual/triple posts and bank health visitors. Excludes HV students.

‖ Due to changes in methods of data collection in 1980, wte staffing figures for health visitors from 1980 onwards are not directly comparable with those for previous years.

In addition, in September 1983, information on bank nursing staff was collected via separate manual returns, whereas they had previously been included with other staff on magnetic tape returns. A minor break in continuity will therefore exist between figures for 1982 and 1983.

Figures for September 1984 are not yet available at this level of detail.

Mr. Nicholas Winterton asked the Secretary of State for Social Services what information he has concerning the numbers of dentists in the north-western region offering National Health Service facilities in each of the years since 1975.

Mr. Kenneth Clarke: The numbers of dentists in the hospital, community dental and general dental services in the north-western region at 30 September in each year since 1975 are given in the table.

Year	*Total*	*Hospital Staff*	*CDS Staff*	*General Dental Practitioners*
1975	1,055	88	191	776
1976	1,122	87	210	825
1977	1,169	101	212	856
1978	1,210	102	222	886
1979	1,230	107	217	906
1980	1,239	109	200	930
1981	1,247	104	197	946
1982	1,311	108	200	1,003
1983	1,329	107	190	1,032
1984	1,373	104	191	1,087

Note: The figures are for numbers of staff (not whole-time equivalents) and exclude locums, hospital practitioners, and part-time dental officers (clinical assistants).

Abortion

Mr. Nicholas Winterton asked the Secretary of State for Social Services if he will list all those organisations which receive Government funding for counselling work on abortion and state the total amount awarded to each organisation in the latest year for which figures are available.

Mr. Kenneth Clarke: We make no grants to any organisations whose main role is counselling and providing help for women with unintended pregnancies. We understand that some health authorities provide financial help to such organisations, but we do not know the amounts involved.

Family Planning

Mr. Nicholas Winterton asked the Secretary of State for Social Services if he will list all those organisations which receive Government funding for educational work on family planning matters and state the total amount awarded to each organisation in the latest year for which figures are available.

Mr. Kenneth Clarke: We provide grants for educational work on family planning matters to the following organisations:

Family Planning Association

£138,000 per annum for three years commencing 1 January 1984.

Brook Advisory Centres

£35,000 per annum for three years commencing 1 April 1984.

Catholic Marriage Advisory Council

£34,000 per annum for two years commencing 1 April 1984.

We also support, through the Health Education Council, the family planning information service which produces literature on family planning education. Some health authorities may provide funds for such work, but we do not know the amounts involved.

War Widows' Pensions

Mr. Alfred Morris asked the Secretary of State for Social Services what was the Government's total expenditure on war widows' pensions in the financial year 1984-85; how the figure compares with that for each of the previous four years; and what was the percentage change in spending in real terms year by year.

Mr. Whitney: The total expenditure on war widows' pensions in 1984-85 was £184 million. The corresponding figures and percentage change for previous years are as follows:

Year	*Actual expenditure £ million*	*Expenditure at 1984 prices £ million*	*Percentage change in real terms*
1980-81	146	192	−2·5
1981-82	166	195	+1·6
1982-83	174	191	−2
1983-84	177	186	−2·6
1984-85	184	184	−1

Whilst there has been a reduction of 4 per cent. in expenditure since 1980-81, there has been a decline in the war widow pensioner population of 10 per cent. in the same period.

Drug Testing

Mr. Meadowcroft asked the Secretary of State for Social Services if he will introduce legislation to regulate the use of human volunteers in tests of new drugs and to provide for compensation to be paid to such volunteers or to their dependants in cases where severe damage or death is caused; and if he will make a statement.

Mr. Kenneth Clarke: I refer the hon. Member to my replies to him on 16 April at columns 126-27.

Housing Benefit

Dr. McDonald asked the Secretary of State for Social Services if he will provide his latest estimates for the total

numbers of standard housing benefit recipients, differentiating as far as possible between those below and above pensionable age; and if he will estimate how many in each group are also liable for income tax.

Mr. Whitney [*pursuant to his reply*, 20 December 1984, c. *307*]: I regret the delay in providing a full reply, which was caused by unforeseen computer programming difficulties.

We estimate that about 4 million households received standard housing benefit — that is, housing benefit payable to people not receiving supplementary benefit— in September 1983, the latest date for which information is available. Of these, about 2·7 million were pensioner households. In about 50 per cent. of the pensioner households, and in about 70 per cent. of the remaining households, the householder or his partner had a weekly income greater than the weekly equivalent of the appropriate personal income tax allowance.

Written Answers to Questions

Thursday 2 May 1985

ATTORNEY-GENERAL

"The Wild Girl"

Sir Peter Mills asked the Attorney-General if he will prosecute Methuen, the publishers of "The Wild Girl", for blasphemy.

The Attorney-General: This is the first occasion on which the publication has been drawn to my attention. I shall consider the matter and write to the hon. Member.

ENVIRONMENT

Gleneagles Agreement

Mr. Canavan asked the Secretary of State for the Environment what recent discussions he has had about the Gleneagles agreement.

Mr. Macfarlane: None.

Grant-related Expenditure

Dr. Cunningham asked the Secretary of State for the Environment if he will list the options he had before him for changes in grant-related expenditures for 1985-86; and what are his reasons for accepting or rejecting those options as the case may be.

Mr. Patrick Jenkin: This information is contained in a note prepared by my Department entitled "1985/86 Rate Support Grant Settlement: Proposals for changes in the method of determining grant-related expenditure assessments". This note is based on a paper recently discussed in the grants working group of the Consultation Council on Local Government Finance. I have today placed copies of the note in the Library.

Departmental Committees of Inquiry

Mr. Eggar asked the Secretary of State for the Environment how many departmental committees of inquiry he and his predecessors, including Ministers of Housing and Local Government, Ministers of Town and Country Planning, Ministers of Works, Ministers of Public Building and Works and Ministers of Land and Natural Resources, have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Patrick Jenkin: The information requested cannot be made available except at disproportionate cost.

Right to Buy (Business Tenants)

Mr. Batiste asked the Secretary of State for the Environment if he will introduce legislation to grant to business tenants of local authorities the right to buy their premises; and if he will make a statement.

Sir George Young: No, the Government have no proposals to extend the right to buy to commercial lettings.

Itinerants

Mr. Stern asked the Secretary of State for the Environment, pursuant to his replies of 24 April, *Official Report*, column 467, what plans he has to reduce the gap between the number of places for itinerants on local authorities' pitches and authorised private pitches on the one hand and the number of gipsy caravans in England on the other.

Mr. Macfarlane: The prime responsibility for providing sites for gipsies is placed directly upon county councils and London borough councils. Exchequer capital grants are available for providing and equipping local authorities sites. The statistics show that steady progress is being maintained in the provision of new and expanded sites and in the reduction of unauthorised camping. My Department is in constant touch with local authorities about site provision.

Development Control Policy Note 13

Sir Reginald Eyre asked the Secretary of State for the Environment when he proposes to issue a revised version of development control policy note 13, taking account of major changes in retailing in the last 10 years; and if he will make a statement.

Mr. Macfarlane: Development control policy note 13 on large new stores, issued in 1977, gives general guidance to those concerned in the operation of planning control. I am considering whether a revision is needed in the light of views which I have received from the local authority associations and retailing interests.

Rent Acts (Review)

Mr. Steen asked the Secretary of State for the Environment when his current review of the Rent Acts will be completed; and if he will make a statement.

Sir George Young: I refer my hon. Friend to the answer which my hon. Friend the Minister for Housing and Construction gave to my hon. Friend the Member for Southampton, Itchen (Mr. Chope) on 13 March, at column *144*.

Royal Docks (Development)

Sir Geoffrey Finsberg asked the Secretary of State for the Environment what plans there are to develop a water sports leisure and recreation centre in the royal docks area; and if the development there of a STOLport would inhibit such plans.

Sir George Young: LDDC's draft development framework for the royal docks area contains a range of proposals for recreational facilities which will make extensive use of the wide expanses of water in the royals. An operational STOLport would restrict the sports that could be undertaken on water immediately surrounding the airport. The corporation anticipates, however, that the size of the water area available in the royals will mean that the STOLport will be entirely compatible with plans for a wide range of water-based activities.

Asbestos

Mrs. Clwyd asked the Secretary of State for the Environment (1) what steps he is taking to ensure that when factories, offices and so on under his control are sold, the future owners are made aware of any asbestos in their construction;

(2) what steps his Department is taking to ensure that factories, offices and so on under his control are checked by the relevant authorities to ascertain whether asbestos is present in the construction.

Sir George Young: All new leased buildings are surveyed before acquisition and attention is drawn in the survey reports to the presence of any asbestos based materials and appropriate recommendations made. Existing buildings have already been inspected to detect the presence of sprayed asbestos insulation and asbestos lagging and registers have been set up for such buildings giving the location of these materials together with all other asbestos based material known to be present. The condition of sprayed asbestos insulation and asbestos lagging is inspected by PSA inspectors at intervals not exceeding one year and other asbestos based materials at intervals not exceeding two years. In addition all premises are open to inspection at any time by factory inspectors under the control of the Health and Safety Executive.

With regard to the disposal of buildings under my control, it is a requirement that PSA estate surveyors advise prospective purchasers of the presence of asbestos which is known to be a significant health hazard.

Mr. Tom Clarke asked the Secretary of State for the Environment what alternative arrangements for the disposal of asbestos from Faslane he is considering in the light of the decision by Monklands district council to withdraw its approval of facilities for dumping at Glenboig.

Sir George Young: So far as I am aware the Glenboig tip has been properly licensed by the Monklands district council to accept asbestos waste; and remains licensed.

Organochlorines

Mr. Ron Davies asked the Secretary of State for the Environment what restrictions exist on the use of organochlorines in houses and in house construction in European Community countries.

Sir George Young: I shall answer this question shortly.

Pollution Control (Regulations)

Mr. Burt asked the Secretary of State for the Environment whether he has yet received the report of the joint review committee on the Control of Pollution (Special Waste) Regulations 1980; and if he will make a statement.

Mr. Waldegrave: I have now received the report of the joint review committee on the control of Pollution (Special Waste) Regulations 1980. The committee has produced a very thorough report which will be of great assistance to the Government in considering future policy for the disposal of hazardous waste. Before considering what action may be necessary I intend to study the report carefully and seek the views of others interested in this area, particularly on those issues where alternative options are put forward in addition to agreed recommendations.

The report is being published today and I am pleased to say that it is printed on recycled paper. A copy has been placed in the Library. I would like to take the opportunity to thank members of the committee for the time and effort it has given to its production.

PRIME MINISTER

International Fund for Agricultural Development

Q20. **Mr. Gwilym Jones** asked the Prime Minister what proposals she will be making to the Bonn summit for the replenishment of the International Fund for Agricultural Development.

Mr. Biffen: I have been asked to reply.

The Government share the general hope that agreement will be reached on the replenishment of the international fund for agricultural development at the next donors meeting, on 16-17 May. My right hon. Friend will have this in mind in any discussion of the subject in Bonn.

Trades Union Congress

Q30. **Mr. Bidwell** asked the Prime Minister when she next plans to meet representatives of the Trades Union Congress.

Mr. Biffen: I have been asked to reply.

My right hon. Friend has at present no plans to do so.

Rating System

Q62. **Mr. Kirkwood** asked the Prime Minister when she expects to be in a position to publish Her Majesty's Government's proposals to reform the rating system; and if she will make a statement.

Mr. Biffen: I have been asked to reply.

When the Government have formulated proposals for reforming local government finance as a result of the studies now in progress they will be published for consultation. It is too early to say when this might be; but it is hoped it might be possible later this year.

Bearsden

Q72. **Mr. Hirst** asked the Prime Minister if she will make an official visit to Bearsden.

Mr. Biffen: I have been asked to reply.

My right hon. Friend has at present no plans to do so.

Land Drainage

Q111. **Mr. Rowe** asked the Prime Minister if she is satisfied with the co-operation between the Department of the Environment and the Ministry of Agriculture, Fisheries and Food in respect of future policy concerning land drainage and its effect on the environment.

Mr. Biffen: I have been asked to reply.

The two Departments work closely together, and consult before there is any grant aid to a land drainage or flood protection scheme to which there are unresolved environmental objections. The joint guidelines to water

authorities and internal drainage boards are being reviewed: and both Departments will be considering responses to the recent consultation document on the "Financing and Administration of Land Drainage, Flood Protection and Coast Protection in England and Wales".

EC (Policy Integration)

Mr. Deakins asked the Prime Minister if she will make it her policy to withold the approval of Her Majesty's Government from any step towards EC political integration; and if she will undertake to seek the opinion of Parliament beforehand if any such proposals are placed on the agenda of any EC Council or Heads of Government meeting.

The Prime Minister: The Government will consider any proposals on their merits and will seek the opinion of Parliament in accordance with the well-established procedures.

Superphénix Reactor

Mr. Deakins asked the Prime Minister, if she has discussed with the French Government their intentions about the possible use for military purposes of plutonium produced by the Superphénix reactor.

The Prime Minister: I refer to the reply given by my hon. Friend the Member for Pudsey (Mr. Shaw) to the hon. Member for Edinburgh, East (Mr. Strang) on 3 April 1984 at columns *435-36*. We have made known our requirement for assurances of peaceful use of United Kingdom equipment and material supplied to France for the purpose of the collaboration.

Engagements

Mr. Yeo asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Boyes asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mrs. Clwyd asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Duffy asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Parry asked the Prime Minister if she will list her official engagements for Thursday 2 May.

Mr. Biffen: My right hon. Friend this Morning presided at a Meeting of the Cabinet and had meetings with ministerial colleagues and others. My right hon. Friend is now in Bonn for the economic summit.

Government Priorities

Mr. Teddy Taylor asked the Prime Minister if she will make a statement outlining the priorities of her Government for the remainder of the current Parliament.

The Prime Minister: I refer my hon. Friend to the reply that I gave him on 26 February at columns 132-33.

Security Services (Vetting Procedures)

Mr. Dickens asked the Prime Minister if she is satisfied with the efficacy of the current vetting procedures for members of the security services, with particular regard to their sexual proclivities.

The Prime Minister: Following the recommendations in the report of the Security Commission on the case of Geoffrey Arthur Prime, positive vetting standards and procedures within the intelligence and security agencies are being strengthened to make them as effective as possible within the limits of what is acceptable in a free and democratic society.

Regional Industrial Policy

Mr. Sean Hughes asked the Prime Minister if she will estimate the number of man-weeks of employment created by the Government's regional industrial policy in each region of the United Kingdom in the last 12 months.

The Prime Minister [*pursuant to her reply*, 1 May 1985, c. *138*]: The available evidence suggests that by 1981 there were of the order of half a million more jobs in the United Kingdom assisted areas than there would have been if regional industrial policy had not operated throughout the period since 1960. No comparable figure is available to indicate how many jobs were lost in non-assisted areas as a consequence of the policy during the period. No regional breakdown of this figure is available and there are no more comparable up-to-date estimates of regional industrial policy's cumulative impact on employment in the assisted areas.

Mr. Sean Hughes asked the Prime Minister what has been the total cost of the Government's regional industrial incentives in each region of the United Kingdom over the last 12 months.

The Prime Minister [*pursuant to her reply*, 1 May 1985, c. *138*]: The cost of regional industrial incentives in each region of the United Kingdom in the year to 31 March 1985 is provisionally estimated as follows:

Region	**£ million*
Northern	122·2
North West	100·5
Yorkshire and Humberside	42·1
East Midlands	10·2
South West	13·2
Scotland	181·1
Wales	140·7
Northern Ireland	†134·9
United Kingdom	‡744·9

* The items included in the table are Regional Development Grants and Regional Selective Financial Assistance under the Industrial Development Act 1982, and assistance on land and factories in the assisted areas by the English Industrial Estates Corporation and the Scottish and Welsh Development Agencies. The figures provided are based on provisional estimates of expenditure, and exclude the administrative costs of operating departments which are, of course, substantial.

† Northern Ireland has a different range of incentives but the figure shown has been restricted to items similar to the main forms of regional incentives available in Great Britain.

‡ All figures are gross and include payments to national industries.

Mr. Sean Hughes asked the Prime Minister what is the latest estimate of the cost per job created under the Government's regional industrial policy over the past 12 months in each region of the United Kingdom.

The Prime Minister [*pursuant to her reply*, 1 May 1985, c. *138*]: An estimate would need to take account of the expenditure undertaken by Government in support of specific projects, and of the private sector expenditure involved; and would need to take account not only of new jobs, but also jobs safeguarded or the extent of lost jobs through reorganisation within firms, and of the way in which such jobs are sustained. All of this needs to be considered against the expectation of employment in the absence of a policy.

No such estimates are therefore available.

EDUCATION AND SCIENCE

Welsh Plant Breeding Station, Aberystwyth

Dr. Marek asked the Secretary of State for Education and Science if, giving his approval under paragraph 9 of the revised charter of the Agricultural and Food Research Council, for the salary of the director of the Welsh Plant Breeding Station, Aberystwyth, he will make it a condition that tenure of the post is expected to be for at least seven years and may not be terminated earlier except for retirement or any exceptional reason.

Mr. Brooke: The Agricultural and Food Research Council is an autonomous body under Royal Charter. Whilst general arrangements for the pay and conditions of service of the council's employees are subject to the approval of my right hon. Friend and the Treasury under the terms of that charter, the details of individual cases are matters for the council to determine. It is not the practice of my right hon. Friend to intervene.

EC Directives

Mr. Foulkes asked the Secretary of State for Education and Science if he will list in the *Official Report* the details of each directive from the EEC since 1979 relevant to his Department; and what action he has taken in each case.

Mr. Brooke: No directives relevant to this Department have been agreed since 1979.

Burnham Committee

Mr. Weetch asked the Secretary of State for Education and Science what complaints and representations he has received about the current membership pattern of the Burnham committee; and if he will make a statement.

Sir Keith Joseph [*pursuant to his reply*, 28 March 1985, c. *297-98*]: I have now decided to review the composition of the teachers' panel of the Burnham Primary and Secondary Committee and have written to all constituent bodies accordingly.

EMPLOYMENT

Wage Statistics

Mr. Marlow asked the Secretary of State for Employment what was the average remuneration per day worked for *(a)* a teacher, *(b)* a police officer, *(c)* a nurse, *(d)* a social worker, *(e)* a non-manual worker and *(f)* a manual worker for the average of each category at the latest date for which figures are available in each case.

Mr. Peter Bottomley: Information on the average remuneration per day worked is not available. Estimates of average weekly earnings giving details of occupation for full-time employees for April 1984 are published in table X3 of the "New Earnings Survey 1984", part B. A copy of the report is available in the Library.

Youth Training Scheme

Mr. Lawler asked the Secretary of State for Employment if he will list those trades unions which have refused to allow the opportunity for young people on the youth training scheme to work alongside their members.

Mr. Peter Morrison: I am glad to say that the vast majority of trade unions support the youth training scheme and are co-operating in its operation. A small number—such as the Union of Communication Workers, the National Graphical Association, the Society of Graphical and Allied Trades, the Society of Civil and Public Servants and the Civil and Public Servants Association—have either refused to accept the scheme or sought to impose conditions on their support. This has meant that some young people have been deprived of the full rage of training opportunities.

EC Directives

Mr. Foulkes asked the Secretary of State for Employment if he will list in the *Official Report* the details of each directive relevant to his Department from the EEC since 1979; and what action he has taken in each case.

Mr. Peter Bottomley: I shall reply to the hon. Member as soon as possible.

WALES

Government Expenditure

Mr. Andrew F. Bennett asked the Secretary of State for Wales if he will publish in the *Official Report* the equivalent tables for Wales of Table 3:10:2 and Table 3:10:3 in the Government's expenditure White paper (Cmnd. 9428).

Mr. Nicholas Edwards: Information for Wales, directly comparable with that presented for England in table 3:10:2 of The Government's Expenditure Plans 1985-86 to 1987-88, is not readily available. The following estimates, however, may be compared.

Examination attainments of school leavers, 1982-83

	Wales	*England*
GCE 'A' Levels		
Percentage of school leavers achieving:		
1 or more passes	16·5	17·1
3 or more passes	8·6	9·6
GCE 'O' Level and CSE		
Percentage of school leavers achieving:		
1 or more graded passes*	82·1	90·4
5 or more higher grades†	26·9	26·2

* 'O' level grades A to E or CSE grades 1 to 5.
† 'O' level grades A to C or CSE grade 1.

Figures for Wales comparable with table 3:10:3 in The Government's Expenditure plans 1985-86 to 1987-88, are as follows:

Maintained schools: pupil and teacher numbers (Wales)

(thousands except as indicated)

	1979-80	*1980-81*	*Actual 1981-82*	*1982-83*	*1983-84*	*1984-85*	*Projected 1985-86*	*1986-87*	*1987-88*
Total school population (including special schools)	545·0	532·0	519·1	507·1	499·0	489·5	480·5	473·7	466·3
Pupil numbers:									
Under fives	44·6	43·7	43·5	45·9	49·4	49·5	48·4	48·4	48·8
All other primary	254·9	243·9	233·8	221·0	213·7	210·2	210·3	211·4	213·6
Secondary, under school leaving age	220·4	218·0	213·8	212·6	209·3	203·9	196·0	188·7	178·6
Secondary, over school leaving age	20·4	21·6	23·4	23·0	22·2	21·6	21·6	21·1	21·3
Total (excluding special schools)	540·3	527·3	514·5	502·5	494·6	485·2	476·3	469·6	462·3
School participation rates (per cent.):									
Under fives	67·1	67·4	66·7	66·9	68·4	69·0	68·8	68·6	68·9
Secondary, over school leaving age	22·4	23·0	24·6	24·5	24·3	24·2	24·4	24·1	24·6
Teachers (numbers employed, full-time equivalents)	29·5	29·0	28·2	27·9	28·1	27·5	26·8	26·1	25·4
Pupil-teacher ratios overall	18·1	18·0	18·0	17·7	17·3	17·4	17·4	17·6	17·7
Special schools:									
Pupils	4·7	4·8	4·6	4·6	4·5	4·3	4·2	4·1	4·0
Teachers	0·7	0·7	0·8	0·8	0·7	0·7	0·7	0·6	0·6

Notes:

1. Pupils numbers are as at January in the relevant academic year.
2. The under fives and special school pupil numbers include those attending part-time. Such children are counted as only 0·5 for the purpose of calculating pupil-teacher ratios.
3. Participation rates for under fives express the number of children under five in nursery and primary schools, part-time or full-time, as a percentage of three and four year olds in the population.
4. The over school leaving age participation rate expresses the number of secondary pupils over school leaving age as a percentage of the 16 and 17 year old population.
5. The numbers of teachers given include all teaching staff, whether in school or not (e.g. because they are on courses of in-service training) and count part-time employees according to their full-time equivalence. Pupil teacher ratios derived from this total, as shown in the table, are not a measure of pupil-teacher ratios in schools.

Skillcentres

Mr. Barry Jones asked the Secretary of State for Wales what assessment he has made of the implications of the closure of the west Gwent and Llanelli skillcentres for employment prospects in those areas; and if he will make a statement.

Mr. Nicholas Edwards: The plans of the Skillcentre Training Agency and training division of the Manpower Services Commission provide for a sizeable increase in training both in quantity and in terms of its relevance to local labour market needs. Future Skillcentre operations will be an integral part of the overall training provision and there will be no closures in Wales until alternative training arrangements are available.

TRADE AND INDUSTRY

Gas and Electric Cookers

Mr. Coombs asked the Secretary of State for Trade and Industry what plans he has to take steps to prescribe a maximum outside temperature for gas and electric cookers; and if he will make a statement.

Mr. Fletcher: As I said in answer to my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) on 8 March, at column 638, my intention is to introduce regulations under the Consumer Safety Act 1978 establishing new maximum permissible temperatures for the fronts and sides of domestic gas and electric cookers below hot level. Discussions with industry, consumer and medical interests are continuing within the framework of the British Standards Institution. A number of technical questions are still outstanding, but progress is being made. I am now revising my original timetable, extending the six months period by one month, and I hope to have regulations ready in draft form in June.

Lead-free Petrol

Mr. Cohen asked the Secretary of State for Trade and Industry what progress has been made towards the production in the United Kingdom of cars which run on lead-free petrol only; when it is anticipated that such cars will be in full-scale production; and if he will make a statement.

Mr. Butcher: The lead in petrol directive 85/210/EEC requires that lead-free fuel be generally available throughout the Community by 1 October 1989. The precise phasing-in arrangements for new cars have not yet been decided. The Commission proposed that all new type approvals from October 1989 and all new registrations from October 1991, should be capable of running on unleaded petrol. The Government consider that it would be sensible for the vehicle directive to enable member states to require all new cars with petrol engines registered from 1 October 1989 to be capable of running on unleaded petrol. In their forward planning the vehicles industry is already taking into account these proposals.

Thames Shiprepair Services Ltd. (Correspondence)

Mr. Speed asked the Secretary of State for Trade and Industry when a reply will be sent to Thames Shiprepair Services Ltd.'s letters of 15 October and 15 January last to his Department about job and ship repair opportunities in Kent.

Mr. Trippier: I replied to the letter dated 15 October, on 30 October. My Department has no record of having received a letter from this company dated 15 January. If a copy can be provided I shall, of course, be happy to deal with it promptly.

EC Directives

Mr. Foulkes (Carrick) asked the Secretary of State for Trade and Industry if he will list in the *Official Report* the details of each directive relevant to his Department from the EEC since 1979; and what action he has taken in each case.

Mr. Channon: A large number of EEC Directives relevant to my Department are agreed each year, covering a wide and varied field. To provide the details requested would involve disproportionate cost. A report of technical harmonisation directives proposed, approved of or adopted under article 100 of the treaty of Rome is, however, published from time to time in *British Business* magazine, published by my Department, most recently on 16 March 1984 (amended on 29 June 1984). A report on the Community's company law harmonisation programme is also published bi-annually by this Department, most recently in January 1985. Both these reports provide appropriate references to the *Official Journal of the European Communities*. They are both available from the Library.

ECGD (Open Account Scheme)

Mr. D. E. Thomas asked the Secretary of State for Trade and Industry what consideration has been given by his Department to the future of comprehensive bank guarantees as operated through the open account scheme of the Export Credits Guarantee Department.

Mr. Channon: The open account scheme operated by the Export Credits Guarantee Department is currently under review because it has been losing money and the demand for it has been falling. No decision on its future will be taken until the results of the review, to which all current users of the facilities and representative bodies have been invited to contribute, have been considered.

Mr. D. E. Thomas asked the Secretary of State for Trade and Industry how many exporting companies take advantage of the open account scheme on claims paid by the Export Credits Guarantee Department.

Mr. Channon: 457 exporting companies are current users of the open account scheme operated by the Export Credits Guarantee Department.

Director General of Fair Trading (Report)

Mr. Lewis Stevens asked the Secretary of State for Trade and Industry when he intends to publish the report by the Director General of Fair Trading for the year 1984.

Mr. Tebbit: The eleventh annual report by the Director General of Fair Trading was published on 1 May. It covers the period 1 January 1984 to 31 December 1984. Copies of the report have been laid before Parliament.

British Shipbuilders (Privatisation)

Mr. Fallon asked the Secretary of State for Trade and Industry if he will make a statement about progress in the privatisation of British Shipbuilders' warship-building yards.

Mr. Norman Lamont: My right hon. Friend the Secretary of State for Trade and Industry announced on 25 March that he had given his consent to the sale of Yarrow Shipbuilders. He has now also given his consent to the sale of Brooke Marine Ltd. to a management consortium. The sale proceeds are £100,000 plus 1 per cent. of moneys received from customers in respect of both certain specified potential export contracts gained within three years of sale and any other significant contracts obtained by the company within one year of sale. British Shipbuilders has agreed to make a partial contribution towards the cost of a limited number of future redundancies, should these arise within one year of sale. Brooke Marine made a loss of £1·24 million in 1983-84 and is expected to make a loss in the year ended 31 March 1985.

British Telecom (Shares)

Mr. Gordon Brown asked the Secretary of State for Trade and Industry what information he has about the number of persons who bought shares in British Telecom who have now sold them.

Mr. Butcher [*pursuant to the reply*, 29 April 1985 c. *57*]: About 2,150,000 applicants were allotted British Telecom shares under the United Kingdom public offer for sale last November. It is estimated that British Telecom now has about 1·75 million shareholders. This implies that around 400,000 of the original allottees have sold their shares and that 81 per cent. of the allottees have held on to their shares. These figures exclude shares held in trust for 222,000 British Telecom employees under the Government's free and matching share offer.

TRANSPORT

Telephones (M1)

Mr. Harrison asked the Secretary of State for Transport if he will seek from each of the operators of service areas on the M1 motorway an explanation for the failure of the public telephones on Thursday 4 and Friday 5 April.

Mr. Ridley: The operators of motorway service areas are responsible for the provision of public telephones. I shall write to the right hon. Member explaining the position more fully.

Road Works (Compensation)

Mr. Roy Hughes asked the Secretary of State for Transport if he will show payments made by highway authorities under the Land Compensation Act 1973, for *(a)* sound insulation, *(b)* the purchase of land outside the boundary of highway works, *(c)* the compulsory purchase of land and buildings within the boundary of highway works, *(d)* compensation for home loss and *(e)* compensation for disturbance, for the following road schemes: (i) M25 M40-Maple Cross, (ii) M25 M40

interchange, (iii) M25 A10-M11, (iv) M25 Chertsey-Wisley, (v) M27 Stoneham-Hedge End, (vi) M27 Chilworth-Stoneham, (vii) M65 Whitebirk-Hyndburn, (viii) A40 Ross on Wye relief road, (ix) A40 Northleach by-pass, (x) A43 Broughton by-pass, (xi) A30 Hayle by-pass and (xii) A243 Leatherhead by-pass, showing in each case also the total cost of the scheme.

Mrs. Chalker: Payments under headings *(b)—(e)* are not recorded separately and could not be produced except at disproportionate cost. Information available, covering expenditure to date, together with the estimated total cost of each scheme is as follows:—

Payments to 1 April 1985

Scheme	*Sound insulation* £ *thousands*	*Land acquisition and compensation* £ *million*	*Total estimated cost including works* £ *million*
(i) and (ii) M25 M4—Maple Cross including M40 interchange	73·6	1·64	85·33
(iii) M25 A10-M11	88·0	4·32	112·74
(iv) M25 Chertsey-Wisley	54·0	3·18	45·73
(v) and (vi) M27 Chilworth-Hedge End	32·0	2·78	45·05
(vii) M65 Whitebirk-Hyndburn	22·7	1·07	29·41
(viii) A40 Ross on Wye Relief Road	Nil	0·03	1·25
(ix) A40 Northleach Bypass	Nil	0·15	2·64
(x) A43 Broughton Bypass	Nil	0·04	3·14
(xi) A30 Hayle Bypass (Polstrong-St. Erth)	Nil	0·74	18·65
(xii) Leatherhead Bypass (M25)	87·5	0·02	22·60

Driving Tests

Mr. Waller asked the Secretary of State for Transport how many driving tests booked at the Keighley and Skipton test centres for dates since 1 January have been cancelled or postponed because no examiner was available.

Mrs. Chalker: The numbers are as follows:

	Number	*In addition tests cancelled because of bad weather*
Keighley	179	157
Skipton	298	139
Total	477	296

The Keighley and Skipton driving test centres are normally manned by three examiners. Owing to the unexpected resignation of one of these, only two men have recently been based at the two centres. A third permanent examiner is expected to be posted there on 1 July. Meantime, the traffic area office is posting in examiners temporarily to help out. A fourth permanent examiner is being recruited as soon as practicable.

Merchant Shipping (Defence Requirements)

Mr. Colvin asked the Secretary of State for Transport when the inter-departmental study of the defence requirements for merchant shipping in time of hostilities will be complete; and when he intends to report to the House.

Mr. David Mitchell: Later this month I expect to receive the report of the consultants who have been employed to forecast the future availability of merchant ships for the purposes of this joint review. My Department and the Ministry of Defence will then examine the consultants' findings against future defence needs. That examination must be thorough and will inevitably take some time. It would not be appropriate to make any report until it has been completed.

Road Construction

Dr. Marek asked the Secretary of State for Transport whether he expects all the road schemes in the main programme for 1985 to 1987 of the roads White Paper to be built or under construction by March 1987; and which of the schemes on the reserve list he expects to be completed or started in the same period.

Mrs. Chalker: I shall write to the hon. Member shortly.

A42 (Motorway Link)

Mr. Ashby asked the Secretary of State for Transport when the decision in respect of the route for the Ashby to the M1 section of the A42 motorway link road will be made.

Mrs. Chalker: A decision on the route for the Ashby to the M1 section of the A42 trunk road (Castle Donnington north section) is expected to be made within the next two months.

Singapore (Civil Aviation Policy)

Mr. Hayes asked the Secretary of State for Transport what discussions his Department has had with the Singapore Government about their civil aviation policy and about the availability of reciprocal landing rights in Singapore to a United Kingdom carrier in return for Singapore Airlines flights to Manchester; and if he will make a statement.

Mr. Michael Spicer: As required under Article 12 of the "United Kingdom/Singapore Air Services Agreement" (Cmnd. 4619) consultations are taking place with the aeronautical authorities of Singapore about services to Manchester. The availability of rights of equivalent value to a United Kingdom carrier will be one of the matters for discussion.

National Bus Company

Dr. Glyn asked the Secretary of State for Transport if he is satisfied that the National Bus Company's pension

funds are sufficient to meet all the claims which may be made now or in the future by employees of the National Bus Company; and if he will make a statement.

Mr. David Mitchell: I understand that there is at present a deficiency in one of the funds which is being met by an additional employers' contribution. I have made it clear that the Government will ensure that on privatisation of the National Bus Company's operations, the pension schemes are adequately funded on the basis of actuarial assessment of the future liabilities they will have to meet under their rules.

British Airways (Privatisation)

Mrs. Dunwoody asked the Secretary of State for Transport if he will make a statement on the implications of the current claim for compensation by Laker Airways for the saleability of British Airways in the proposed privatisation.

Mr. Ridley: As my hon. Friend explained in a written reply to the hon. Member for South Hams (Mr. Steen) on 17 January at column *193* uncertainties arising from legal actions, brought under anti trust law in the USA, related to the failure of Laker Airways, had caused some slippage in the plans for privatising British Airways. The airline defendants are seeking to negotiate a settlement of the litigation against them and it would not be appropriate for me to comment on the progress of those negotiations. It remains, however, the Government's intention to privatise British Airways as soon as practicable.

HOUSE OF COMMONS

Press Gallery (Costs)

Mr. Campbell-Savours asked the Lord Privy Seal what was the cost of the following Press Gallery facilities: *(a)* telephones, *(b)* stationery, *(c)* lighting and heating, *(d)* equipment, *(e)* maintenance, *(f)* cleaning and *(g)* subsidies to Press Gallery catering and bar in each of the last five years.

Mr. Biffen: Costs for the following facilities in the Press Gallery over the last five years are:

Telephones

Year	*Amount £*
1984-85	40,370
1983-84	38,500
1982-83	36,470
1981-82	31,290
1980-81	26,550

These charges do not include calls within the London area which are not metered.

Stationery Estimated

Year	*Amount £*
1984	4,114
1983	3,895
1982	3,842
1981	3,577
1980	3,194

Costs for lighting and heating, equipment, maintenance and cleaning cannot be identified without disproportionate cost. No subsidies are allocated to catering and bar facilities in the Press Gallery.

AGRICULTURE, FISHERIES AND FOOD

Cotton

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the guide and minimum prices for cotton under the common agricultural policy in 1973 and each of the past five years, the average world price, the cost of the support to the EEC budget, the tonnage qualifying under the arrangement and the amount of aid per tonne, and production imports and exports of cotton in the EEC.

Mr. Macgregor: The information available for cotton is shown below, the aid scheme was introduced in 1981.

	1981	*1982*	*1983*	*1984 (provisional)*
Guide price (ECU/t)*	760·0	858·8	927·5	941·4
Minimum price (ECU/t)*	722·0	815·9	881·2	894·4
World price-range*† (ECU/t)	410·86-526·20	446·69-635·05	624·92-726·31	604·19-641·43‡
Gross EC expenditure (MECUs)	54·9	96·95	140·00	88·22
EC production and quantity receiving aid* ('000 t)	374	333	428	465
Aid-range* (ECU/t)	349·14-233·8	223·75-412·2	201·19-302·58	299·97-337·21
Imports from third countries to EC ('000 t)	595·9	675·8	729·3	533·0‖
Exports to third countries from EC ('000 t)	17·5	27·0	29·0	31·0‖

* Information relates to marketing year, originally August/July and now September/August.
† For nondeseeded cotton, calculated by Commission.
‡ September/November only.
‖ January/September only.

Fibre Flax and Hemp

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the rate per tonne of aid under the common agricultural policy for the production of fibre flax and hemp in 1973 and in each of the past five years, the amount produced with such aid, the cost to the EEC budget, the corresponding world price and the amount imported and exported from the EEC.

Mr. Macgregor: The information available is as follows:

	1973		1980		1981		1982		1983		1984 (provisional)	
	Flax	Hemp	Flax	Hemp	Flax	Hemp	Flax	Hemp	Flax	Hemp	Flax	Hemp
Area on which aid claimed ('000 ha)*	47·2	4·3	58·0	6·9	49·6	5·5	50·8	5·1	53·0	4·9	na	na
Aid rate (ECU/ha)†‡	134·99	115·00	264·70	240·41	296·84	269·60	335·02	304·32	355·12	322·52	351·57	319·29
Gross EC expenditure‖ (MECU)	5·49		16·832		17·032		19·451		19·351		28·367	
Imports from third countries into EC ('000 t)	32·0	18·7	15·8	15·7	8·9	15·6	16·0	17·4	23·5	19·2	33·7¶	20·7¶
Exports to third countries from EC ('000 t)	37·3	1·2	31·2	1·2	34·6	1·9	36·3	1·3	38·5	2·0	36·5¶	3·2¶

* World prices for fibre flax and hemp are not readily available.
† Information available only on marketing year basis (August/July).
‡ Aid is payable on a per hectare basis (average EC yields are not readily available).
‖ Separate information on fibre flax and hemp not available.
¶ January to September only.

Milk

Mr. Austin Mitchell asked the Ministry of Agriculture, Fisheries and Food what is the increase in the target price for milk under the common agricultural policy for the current year generally and for each country after green currency and other adjustments; what will be the loss of revenue from the reduction in the co-responsibility levy; what is the forecast reduction in output of milk as a result of the total dairy package; and how this compares with the quota.

Mr. MacGregor: for the 1985-86 milk year, the Commission has proposed an increase of 1·5 per cent. in the target price for milk. The Commission has also proposed changes in green rates. If adopted as proposed the combined effect on the target price expressed in national currencies would be:

	Per cent.
Belgium	+1·5
Denmark	+1·5
Germany	+0·43
France	+2·42
Greece	+4·68
Ireland	+1·5
Italy	+1·5
Luxembourg	+1·5
Netherlands	+0·43
United Kingdom	+1·5

If adopted, the proposed reduction in the coresponsibility levy from 3 per cent. to 2 per cent. of the target price would result, it is estimated in a fall in revenue to the Community of 167 million ecu in 1985.

The Commission estimates that for 1985-86 milk deliveries will be approximately equal to the quotas laid down. This would represent a cutback of about 1 per cent. compared with 1984-85 deliveries.

Wine

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the guide intervention, threshold and other prices for wine in 1973 and each of the past five years, the corresponding market prices, the amount spent by way of price support, the volume of wine removed from the market, the total cost to the EEC of disposing of the surplus and production, imports and exports of wine in the EEC.

Mrs. Fenner: The information requested is provided in the following tables.

Averages
Guide price, activating price, reference price for wine and average weighted producer prices
ecu/per cent. vol./hectolitre

†Wine year	‡Guide	‖Activating	¶Reference	*Average weighted producer prices
1972-73	1·70	1·61	2·17	2·312
1979-80	2·46	2·27	3·25	2·02
1980-81	2·60	2·38	3·47	1·97
1981-82	2·84	2·60	3·77	2·28
1982-83	3·15	2·89	4·17	2·51
1983-84	3·33	3·06	4·36	2·37

* Community of 9 only; all other figures are Community of 10 the 1972-73 figure covers table wine of R1 type only. Prices for remaining years calculated on R1/A1 average;
† Until 1984 the Commodity year ran from December to December; it now runs from September 1 to 31 August;
‡ The "Guide Price" is the equivalent of a target price;
‖ The "Activating Price" is set at 92 per cent. of the Guide Price and triggers some intervention measures;
¶ The "Reference Price" is the Community threshold price for imports.

MECU

Year	Wine: Total cost of regime	Wine: Surplus disposal
1973	11	n/a
1980	300	223
1981	459	369
1982	571	453
1983	659	454
1984	*1,223	*998

* Includes 179 mecu incurred in 1983 but paid in 1984.
Source: EC Commission Financial Reports (1973, 1980-83)
EC Commission working doc (1984)

Volume of wine removed from the market
millions of hectolitres

Year	Distillation under 337/79	Export refunds	Totals
1973	n/a	*0·2	0·2
1979-80	18·2	*2·0	20·2
1980-81	22·9	2·3	25·2
1981-82	13·9	2·3	16·2
1982-83	21·3	2·1	23·4
1983-84	†34·9	n/a	†34·9

* Estimate.
† Provisional.
Note: In 1973, export refunds on wine were to Scandinavian countries only, Norway, Sweden, Finland. It was extended to USSR and Eastern Bloc and other 3rd countries in 1975 with the exception of the USA.

Production, imports and exports of wine
millions of hectolitres

Year	*Production*	*Imports*	*Exports*
*1972-73	127·3	7·8	4·2
1979-80	182·4	5·3	8·4
1980-81	163·9	4·9	9·0
1981-82	140·1	5·1	10·5
1982-83	171·9	4·8	8·6
†1983-84	167·3	4·8	10·4

* Community of 9; all other figures are Community of 10.
† Provisional.

Livestock Units (Expenditure)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food if he will publish in the *Official Report* a table showing for each common agricultural policy product the amount spent in 1984-85 on each hectare or livestock unit in the United Kingdom under the European Economic Community budget in direct subventions, export rebates, and so on.

Mr. MacGregor: Expenditure in 1984-85 on market regulation under the CAP is summarised by principal commodity in table 28 of the "Annual Review of Agriculture 1985" (Cmnd. 9423). Against total forecast expenditure of £1,424·1 million the Community budget was expected to contribute £1,087·1 million as follows:

	£ million
Cereals	194·4
Beef and veal	*228·4
Pigmeat	−10·1
Sugar	63·1
Processed products	32·9
Milk products	†293·2
Oilseeds	54·6
Sheepmeat	‡200·6
Others	30·0

Notes:
* Including the suckler cow premiums scheme.
† Including the premium schemes for the non-marketing of milk and the conversion of dairy herds.
‡ Including annual premium on ewes.

Details of crop areas and livestock numbers are given in table 3 of Cmnd. 9423.

TABLE 3

Crop areas and livestock numbers (a)

At June of each year

	Average of 1973-75	*1980*	*1981*	*1982*	*1983*	*1984 (provisional)*
A. *Crop areas* ('000 hectares)						
Total area	19,099	18,953	18,808	18,783	18,735	18,772
of which						
Wheat	1,139	1,441	1,491	1,663	1,695	1,965
Barley	2,279	2,330	2,327	2,222	2,143	1,967
Oats	256	148	144	129	108	107
Mixed corn	43	13	11	10	8	8
Rye	5	6	6	6	7	6
Total cereals *(b)*	3,722	3,938	3,979	4,030	3,961	4,053
Potatoes	215	205	191	192	195	199
Sugar beet	196	213	210	204	199	200
Oilseed rape *(c)*	26	92	125	174	222	169
Hops	7	6	6	6	6	5
Vegetables grown in the open	194	190	178	179	152	147
Orchard fruit	56	46	44	43	41	39
Soft fruit *(d)*	18	19	18	18	17	17
Ornamentals *(e)*	16	12	13	13	12	12
Total horticulture *(f)*	286	270	255	254	224	218
Total tillage *(g)*	4,835	5,031	5,071	5,127	5,124	5,206
All grasses under five years old *(h)*	2,269	1,965	1,911	1,859	1,846	1,806
Total arable	7,104	6,996	6,982	6,986	6,970	7,012
All grasses five years old and over *(i)*	5,033	5,140	5,103	5,097	5,107	5,124
Rough grazing:						
Sole right	5,472	5,119	5,021	4,984	4,927	4,905
Common (estimated)	1,126	1,214	1,214	1,214	1,212	1,212
Other land *(j)*	364	484	488	502	519	519
B. *Livestock numbers* ('000 head)						
Total cattle and calves	14,834	13,426	*(k)*13,138	*(k)*13,244	13,290	13,255
of which						
Dairy cows	3,361	3,228	3,191	3,250	3,333	3,265
Beef cows	1,829	1,478	*(k)*1,420	*(k)*1,389	1,358	1,354
Heifers in calf	997	838	863	851	847	810

	Average of 1973-75	1980	1981	1982	1983	1984 (provisional)
Total sheep and lambs	28,323	31,446	(k)32,097	(k)33,067	34,069	35,016
of which						
Ewes	11,162	12,178	(k)12,528	(k)12,909	13,310	13,702
Shearlings	2,633	2,745	2,743	2,871	2,933	2,914
Total pigs	8,372	7,815	7,828	8,023	8,174	7,744
of which						
Sows in pig and other sows for breeding	787	722	725	742	746	703
Gilts in pig	123	109	112	122	110	107
Total poultry	140,752	135,105	132,286	135,363	128,260	128,493
of which						
Table fowls (including broilers)	57,279	59,917	57,830	60,075	58,887	59,658
Laying fowls	50,847	46,012	44,473	44,792	41,518	41,138
Growing pullets	18,724	14,457	14,219	14,766	12,079	12,399

(a) The data in this table vary between the different countries as follows:—
England and Wales: For all years the figures relate to all known agricultural holdings including minor holdings (previously called statistically insignificant holdings).
Scotland: From 1973 the figures relate to all known agricultural holdings with 40 smd or more. (A standard man-day (smd) represents 8 hours' productive work by an adult worker under average conditions.) Prior to June 1977 following the 1976 minor holding census 1,700 holdings were transferred fom the main to the minor category.
Northern Ireland: From 1973 to 1980 the figures relate to all known agricultural holdings with (i) 40 smd or more, or (ii) 4 hectares or more of total area, or (iii) one or more full-time workers, excluding the owner. The figures for 1981 onwards relate to all known holdings with: (i) one European Size Unit (ESU) or more, or (ii) 6 hectares or more of total area, or (iii) one or more full-time workers, excluding the owner. (A European Size Unit equals 1,000 European Units of Account of standard gross margin at average 1972-74 values.) The change between 1980 and 1981 resulted in the net deletion of 7,000 holdings but their exclusion has had an insignificant effect on the cropping and stocking figures.
(b) Cereals for threshing, exluding maize.
(c) Collected separately in Scotland from 1982 and in Northern Ireland from 1984.
(d) Includes small area of soft fruit grown under orchard trees in England and Wales.
(e) Hardy nursery stock, bulbs and flowers.
(f) Most of the difference between total horticultural area and the sum of individual sectors is made up by the glasshouse area.
(g) Includes area of other crops and bare fallow not shown in the table.
(h) Before 1975 collected as:
In England and Wales—"clover, sainfoin and temporary grasses";
In Scotland—"grass under 7 years old";
In Northern Ireland—"grass 1st, 2nd and 3rd year".
(i) Before 1975 collected as:
In England and Wales—"permanent grass";
In Scotland—"grass 7 years old and over";
In Northern Ireland—"grass 4th year or older".
(j) In June 1973 "other land" in Great Britain was collected as woodland and areas under roads, yards, buildings, etc., the use of which was ancillary to farming of the land; in Northern Ireland it included land within agricultural holdings which was under bog, water, roads, buildings, etc., and waste land not used for agriculture. In June 1974 the definition was changed in England and Wales to include all other land forming part of the holding and in Scotland it was extended to include ponds and derelict land. The Northern Ireland definition is unchanged.
(k) Small adjustments made retrospectively following the 1983 census of minor holdings in England.

Public expenditure under the CAP and on national grants and subsidies (a)

April—March (financial years) £ million

	1980-81	1981-82	1982-83	1983-84	1984-85 (forecast)
I *Market regulation under the CAP*					
(i) Expenditure by the Intervention Board for Agricultural Produce *(b)*					
Cereals	157·2	242·7	337·2	120·8	357·8
Beef and veal	131·6	41·8	93·8	263·9	322·5
Pigmeat	−16·7	−33·0	−39·8	−14·8	−10·1
Sugar	21·3	35·6	60·6	53·2	63·1
Processed products	16·7	16·7	27·4	28·3	32·9
Milk products	187·0	168·8	342·5	561·3	333·0
Oilseeds	50·6	51·2	76·3	87·2	54·6
Sheepmeat	42·3	72·2	126·1	158·3	123·1
Others *(c)*	13·2	16·4	19·4	21·0	29·2
Total (i)	603·2	612·4	1,043·5	1,279·2	1,306·1
(ii) Expenditure by the Agriculture Departments					
Milk Non-Marketing Premiums	30·5	21·2	17·8	13·3	12·7
Suckler Cow Premium Scheme	14·6	16·9	16·4	15·7	27·8
Annual Premium on Ewes	—	28·1	21·4	66·3	77·5
Total (ii)	45·1	66·2	55·6	95·3	118·0
Total I	648·3	678·6	1,099·1	1,374·5	1,424·1

	1980-81	1981-82	1982-83	1983-84	1984-85 (forecast)
Against which receipts from EAGGF	572·6	698·6	783·7	1,132·9	1,087·1
II *Price guarantees*					
Sheep *(d)*	32·9	—	—	—	—
Wool *(e)*	3·9	7·5	6·2	0·6	−4·3
Potatoes *(e)*	8·7	9·6	1·9	9·3	7·7
Total II	45·5	17·1	8·1	9·9	3·4
III *Support for capital and other improvements*					
Agriculture and Horticulture Development Scheme *(f)* *(g)*	101·7	85·7	100·3	104·1	94·8
Guidance Premiums	10·2	6·5	5·5	4·0	3·6
Farm accounts	2·1	2·3	1·9	1·4	1·1
Farm structure	0·6	0·6	0·6	0·5	0·5
Northern Ireland Agricultural Development Programme *(g)*	—	—	11·2	9·6	13·6
Agriculture and Horticulture Grant Scheme *(h)* *(g)*	88·8	76·5	83·6	96·2	84·1
Co-operation grants	1·4	2·1	2·4	3·8	5·1
Others *(i)*	0·3	0·2	0·5	1·0	2·3
Total III	205·1	173·9	206·0	220·6	205·1
Against which receipts from EAGGF *(j)*	16·8	26·8	—	46·4	30·1
IV *Support for agriculture in special areas*					
Hill Livestock Compensatory Allowances:					
Sheep	53·8	47·4	50·3	52·6	55·8
Cattle	41·2	37·1	38·0	38·9	41·6
Additional benefit under AHDS, NIADP and AHGS	17·1	16·6	28·7	26·4	30·8
Others *(k)*	1·4	1·7	2·6	5·6	9·0
Total IV	113·5	102·8	119·6	123·5	137·2
Against which receipts from EAGGF *(j)*	16·9	17·0	21·1	21·0	22·5
V *Other payments*					
Milk outgoers scheme	—	—	—	—	10·0
Total V	—	—	—	—	10·0
Total I to V	1,012·4	972·4	1,432·8	1,728·5	1,779·8
Against which receipts from EAGGF	606·3	742·4	804·8	1,200·3	1,139·7

(a) This table excludes expenditure which may benefit farmers but where the value to them is not shown by the expenditure (e.g. expenditure on animal disease or on research, advice and education). It also excludes most expenditure on agriculture in Northern Ireland, borne on the Northern Ireland Consolidated Fund. It does, however, include some expenditure which benefits consumers and trade interests rather than producers. The figures for years up to and including 1983-84 represent actual expenditure recorded in the Appropriation Accounts. The figures for 1984-85 are the latest estimates of expenditure.

(b) The figures are made up of several elements and include refunds on intra-Community trade, import and export refunds on third country trade, the beef and sheep variable premium schemes (net of clawback for sheepmeat and charges on beef exported and sold into intervention), aid for private storage and animal feed, certain other marketing and production subsidies and the cost of purchasing commodities into intervention less proceeds from sales. The figures also take account of other receipts treated as negative expenditure, namely monetary compensatory amounts levied on intra-Community trade and the co-responsibility and supplementary levies on milk producers. The figures include the EC butter subsidy and the United Kingdom share of the EC school milk subsidy scheme.

(c) Includes eggs, poultrymeat, fruit and vegetables, hops, herbage seeds, dried fodder, peas and beans, fisheries, flax and aid to beekeepers. Also includes expenditure on products covered by the CAP but not produced to any significant extent in the United Kingdom (olive oil, rice, wine, grapemust and hemp).

(d) Price guarantee arrangements for sheep were superseded by the EC sheepmeat regime on 20 October 1980.

(e) Payments in respect of wool and potatoes relate partly to the clip or crop of the year indicated and partly to the clip or crop in the preceding year or years. The negative figure for wool reflects the stabilisation arrangements with the British Wool Marketing Board whereby advance payments made by the Exchequer are repayable from later surpluses when auction prices are above the guaranteed price.

(f) Includes the Farm and Horticulture Development Schemes.

(g) Farmers in special areas are also eligible for additional assistance under the Agriculture and Horticulture Development Scheme, Northern Ireland Agricultural Development Programme and the Agriculture and Horticulture Grant Schemes. The estimated benefit is shown separately in Section IV on the table.

(h) Includes the Farm and Horticulture Capital Grant Schemes.

(i) Includes grants in respect of investment on loan guarantees, producer organisations, agricultural drainage and milk pasteurisation equipment (for which provision was included in the 1984-85 Supply Estimates) and farm structure loans.

(j) The receipts from the Guidance Section of the European Agricultural Guidance and Guarantee Fund do not relate to expenditure incurred during the financial year but mainly to expenditure incurred in the calendar year preceding the financial year.

(k) Includes grants for forage groups, integrated development programme for Western Isles, producers in the Scottish Islands and crofting improvements. Provision for this expenditure was included in the 1984-85 Supply Estimates.

Food Labelling

Mr. Beggs asked the Minister of Agriculture, Fisheries and Food if consultation has taken place with the Dairy Trade Federation regarding proposed changes in food labelling regulations related to cheese products of less than 20 per cent. fat.

Mrs. Fenner: We hope to issue proposals for revised cheese regulations to the Dairy Trade Federation and other interested parties within the next few months.

Milk Producers

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food what information he has about the arrangements for lists of milk producers to be held in European Economic Community member states for the application of the supplementary levy; what member states are doing to implement these arrangements; and what measures are available to monitor effective implementation.

Mr. MacGregor: The administrative arrangements for the supplementary levy place much of the responsibility on the purchasers of milk who are required by Commission Regulation 1371/84 to hold at the disposal of authorities in member states records covering the previous three years, showing on a quarterly basis for each producer:

(i) name and address;
(ii) quantities of milk purchased during the quarter concerned and during the corresponding quarters of the reference year adopted by the Member State;
(iii) quarterly quota;
(iv) quantities of milk or milk equivalent purchased during the quarter which are over quota.

Member states are not required to aggregate these records nationally. The Regulation also requires member states to adopt appropriate measures to ensure collection of levy, including inspection measures and to ensure that those concerned are aware of the sanctions for non-compliance.

Dairies purchasing milk would normally have records of their supplying producers and the volume of purchases.

Our inquiries on the situation in other member states indicate that in Belgium there are numerous dairy co-operatives who account for almost all production and have adequate records. In Denmark the milk committee of the Danish Dairy Federation is in a position to prepare a list of producers sending milk to the dairy co-operatives. In France each purchasing dairy maintains records on a daily basis of producers' deliveries and these are liable to periodic inspection by the French intervention agency. In Germany the records held by dairies would be subject to inspection by the Lander authorities. In Ireland lists of producers are generally held by the co-operatives. In Luxembourg the purchasing dairies have good records. In the Netherlands full records are held by the commodity boards for dairying and have already been used for making checks. In Italy a census of all milk producers has been carried out. In Greece administrative arrangements are being introduced but production is in any case well below quota. We have had no reports suggesting that the lack of centrally held records creates difficulties for administration through the purchasers of milk.

The Commission is examining the measures taken by member states to verify that the Community regulations have been respected. It has available powers to penalise member states which fail to implement the arrangements and has already made use of them. Moreover the Commission has said that it will be making use of the provisions available to it which enable their officials to carry out inspections in the Member States. In making their inspections they have the right to examine relevant documents to ensure that administrative and financial arrangements have been correctly carried out.

EC Fisheries Inspectorate

Dr. Godman asked the Minister of Agriculture, Fisheries and Food if, in connection with the accession of Spain and Portugal to the EEC, there are plans to increase the number of people employed in the European Economic Communities fisheries inspectorate.

Mr. MacGregor: The size of this inspectorate is primarily a matter for the European Commission, whose staff the inspectors are. We have impressed upon the Commission the need to ensure that the strength of the inspectorate is adequate to meet the increased demands that will be placed upon it after Spain and Portugal have joined the Community.

Agricultural Land (Value)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the estimated capital value of agricultural land in the United Kingdom in the latest year for which figures are available compared to 1960 and 1970.

Mrs. Fenner: The estimated capital value of agricultural land in the United Kingdom, (including the value of agricultural buildings, but not dwellings) is shown below for the years 1966, 1970 and 1983. Comparable figures for earlier years are not available. Over the 17 year period the increase in value in real terms, ie deflated by the retail price index, was one-third.

Estimated capital value of agricultural land in the United Kingdom

	£ billion
1966	5·0
1970	5·0
1983	37·0

Source: Derived by Central Statistics Office from the value of agricultural and other land as published in Economic Trends 1980 and Financial Statistics 1985.

HOME DEPARTMENT

Victim Support Schemes

3. **Mr. Ashton** asked the Secretary of State for the Home Department whether he will provide grants to local victim support schemes for travel, postage and printing expenses.

Mr. Mellor: My right hon. and learned Friend has no plans to provide grants for this purpose. We have a high regard for the work of victim support schemes, but they should be able to look to their local communities to finance their incidental expenses.

Crime Prevention

5. **Mr. Allan Roberts** asked the Secretary of State for the Home Department whether he will increase funding for crime prevention schemes.

Mr. Giles Shaw: We attach importance to the provision by the Department of advice and assistance to local authorities, the police and the community generally in promoting crime prevention initiatives. Financial support for innovative schemes designed to prevent or

alleviate the effects of crime will continue to be available through the urban programme. Applications from local authorities to fund schemes in this financial year are currently being considered by my right hon. Friend the Secretary of State for the Environment.

Citizenship Applications

18. **Mr. Wareing** asked the Secretary of State for the Home Department what steps he is taking to ensure that women whose applications for citizenship have been delayed pending consideration of their husband's immigration status will now have their applications given priority.

Mr. Waddington: Arrangements have been introduced with the object of preserving the place in the queue of a wife's application while her papers are being used in the consideration of her husband's immigration status. If the woman's application comes to the top of the queue when her papers are still elsewhere in the Department some delay is bound to occur while study of the papers is completed and the papers returned but every effort is made to keep this to a minimum.

Asylum

19. **Mr. Tony Lloyd** asked the Secretary of State for the Home Department how many decisions regarding asylum he made in 1984; and how many outstanding applications there are.

Mr. Waddington: During 1984 decisions were reached on about 1,900 applications for asylum. Provisional figures indicate that there were some 4,390 applications outstanding as at 31st March 1985, excluding those from Vietnamese refugees.

Motorway Speeding

20. **Mr. Heathcoat-Amory** asked the Secretary of State for the Home Department how many convictions for motorway speeding there were in 1984.

Mr. Mellor: Information for 1984 is not yet available. In 1983 there were 25,300 convictions at magistrates' courts in England and Wales for exceeding the 70 mph speed limit on motorways.

High-crime Areas (Insurance)

21. **Mr. Tom Cox** asked the Secretary of State for the Home Department whether he will introduce legislation to provide for the funding by his Department of low-cost insurance schemes in high-crime areas.

Mr. Giles Shaw: No; but, as indicated in the Government's reply (Cmnd 9457) to the report of the home affairs committee on compensation and support for victims of crime, we are pursuing the possibility of local authorities arranging block insurance to cover household contents.

Miss Hilda Murrell

24. **Mr. Dalyell** asked the Secretary of State for the Home Department if he will make a statement on the progress which has been reported to him of the investigation by the West Mercia police into the death of Miss Hilda Murrell.

Mr. Giles Shaw: I understand from the chief constable of West Mercia constabulary that this investigation is continuing, as is the review of the case being conducted by Mr. Smith, assistant chief constable of Northumbria.

Air Weapons

25. **Mr. Chapman** asked the Secretary of State for the Home Department if he remains satisfied with the operation of the law and regulations relating to air weapons.

Mr. Giles Shaw: The controls on air weapons are already extensive, and were the subject of a national publicity campaign at the end of 1983. We will consider the case for a further advertising campaign when the statistics on air weapon offences committed during 1984 become available later this year.

Civil Defence

26. **Mr. Kirkwood** asked the Secretary of State for the Home Department if he will take steps to require local authorities to make all details of the civil defence war plans available to persons and interest groups who seek access to them.

Mr. Giles Shaw: The draft consolidated emergency planning guidance to local authorities (a copy is in the Library of the House) asks that with the possible exception of personal details plans should be open documents. How this is achieved is a matter for local authorities.

Mr. Strang asked the Secretary of State for the Home Department what organisations he has consulted about the likely number of casualties after a nuclear attack.

Mr. Giles Shaw: The Government do not make detailed estimates of casualties, which would depend on the strategic intentions of the enemy at the time and other factors which cannot be predicted.

Crime Prevention and Victim Support Schemes

27. **Mr. Fatchett** asked the Secretary of State for the Home Department whether he will grant central funding from his Department to crime prevention and victim support schemes currently supported by the Greater London council and metropolitan counties.

Mr. Giles Shaw: My right hon. and learned Friend has no plans to provide Home Office funding in direct substitution for grants currently made by the GLC or the metropolitan counties. After these authorities have been abolished, crime prevention and victim support schemes will continue to be eligible for financial support from London boroughs and metropolitan districts, and from central Government via the urban programme and the community programme.

Prison Building Programme

28. **Mr. Leigh** asked the Secretary of State for the Home Department if he will make a statement on progress in the prison building programme.

Mr. Mellor: The first of the the new prisons in the programme to be completed received its first inmates in February. Two further new prisons are due for completion later this year, two in 1986 and three in 1987. Eight other

new establishments are at various stages of planning and design. In addition we are undertaking a substantial programme of repair, modernisation and redevelopment of the existing prison estate. The building programme remains on course to end overcrowding by the end of this decade.

Channel Islands (Drugs)

29. **Mr. Foulkes** asked the Secretary of State for the Home Department what discussions he has had with the Channel Islands authorities regarding the use of the islands by drug traffickers.

Mr. Giles Shaw: Discussions have taken place between Home Office officials and representtives of Jersey and Guernsey in the past year on the possibility of moneys from drug activities passing through the islands; a joint meeting is to be held later this month. The possible use of the islands by drug traffickers is a matter for the islands' authorities, but at their request their police forces are inspected regularly by Her Majesty's Inspectorate of Constabulary who are satisfied that suitable precautions are taken to prevent the illegal importation of drugs. There is also close liaison and co-operation between Her Majesty's Customs and Excise and the enforcement agencies in the Islands.

Immigration Rules (Interpretation)

30. **Mr. Sedgemore** asked the Secretary of State for the Home Department if he has any plans to revise the guidance circulated to immigration officers about how to interpret the requirement that the primary purpose of a marriage should not be immigration.

Mr. Waddington: My right hon. and learned Friend will consider whether any revised guidance is necessary when the terms of the judgment of the High Court in the case of Bhatia are available.

Criminal Justice Act 1982

31. **Mrs. Clwyd** asked the Secretary of State for the Home Department whether he will make a statement on the operations of the Criminal Justice Act 1982.

Mr. Mellor: The Act, the main provisions of which came into force in May 1983, strengthened and made more flexible the powers of the courts in dealing with offenders, and introduced a new sentencing structure for young offenders. We are monitoring the use of the new powers closely, and will before long be publishing a statistical bulletin about the sentencing of young offenders since the Act came into force.

Drug Abuse

32. **Mr. Peter Bruinvels** asked the Secretary of State for the Home Department what response he has received to his latest initiative against drug abuse.

Mr. Mellor: If my hon. Friend has in mind the Government's education and information campaign, I refer him to the reply given to a question from my hon. and learned Friend the Member for Fylde (Sir E. Gardner) on 28 March, at column *273*.

Chief Constables

33. **Mr. Nicholas Brown** asked the Secretary of State for the Home Department what factors are taken into account when calculating the salaries of chief constables; and whether he is reviewing the salaries paid to senior police officers including chief constables.

Mr. Giles Shaw: In negotiations on increases in the pay of chief police officers, the Police Negotiating Board has been guided by the report of the Edmund-Davies Committee, published in July 1978, which recommended that the pay of police officers above the rank of chief superintendent should be updated annually by reference both to movements in the average earnings index during the previous 12 months and to changes elsewhere in the community. Last year, the board undertook a joint review of the pay of chief police officers, including an element of job evaluation. The findings of the review were taken into account by the board in negotiating increases in the pay of chief police officers with effect from 1 September 1984, which my right hon. and learned Friend recently approved.

Licensing Laws

34. **Mr. Galley** asked the Secretary of State for the Home Department what recent representations he has received advocating changes in the licensing laws.

Mr. Mellor: In addition to questions advocating changes in the licensing law, we have received 10 letters from hon. Members in support of changes in the law and two from members of the public since 1 March this year.

Metropolitan Police

35. **Mr. John Fraser** asked the Secretary of State for the Home Department when he will next meet the Commissioner of Police of the Metropolis to discuss the reorganisation of the Metropolitan police.

Mr. Brittan: I do not have any specific plans at present for a further meeting with the Commissioner to discuss this subject, but I intend to continue to keep in close touch with him as the reorganisation is implemented.

Police (Establishments)

36. **Mr. Hunter** asked the Secretary of State for the Home Department what recent representations he has received from police authorities for increased establishments.

Mr. Giles Shaw: In January, my right hon. and learned Friend approved 46 additional posts in response to applications from three police authorities for increases in their police establishment for the financial year 1985-86. He is considering applications from another six police authorities for a total of 80 posts.

Immigration Control

37. **Mr. Deakins** asked the Secretary of State for the Home Department when he will produce a detailed response to the recommendations in the Commission for Racial Equality report on immigration control procedures.

Mr. Waddington: A full analysis of the recommendations of the CRE report is being produced. My right hon. and learned Friend shall consider when it is completed how best to make our conclusions available.

Animal Experiments

38. **Sir John Biggs-Davison** asked the Secretary of State for the Home Department if, pending the publication of his White Paper on animal experiments, he will call for a suspension of the Draize eye irritancy test; and if he will make a statement.

Mr. Mellor: No. As I explained in my reply to a question from the hon. Member for Leyton (Mr. Cohen) on 1 April at column *445*, there is no non-sentient alternative at present to this necessary test.

Mr. Cohen asked the Secretary of State for the Home Department if he will seek and publish in the *Official Report* information as to why there was a greater need for experiments on living animals in 1983 in household chemicals experiments; and if he will make a statement.

Mr. Mellor: I do not think there is any special reason at present to make specific inquiries about the reasons for the increase in the number of experiments to test household chemicals in 1983. Although the increase in this category is in contrast with the generally downward trend in animal experiments in 1983, it is not out of line with fluctuations in the number of household chemicals tests over the previous six years. If the number of experiments to test household chemicals shows a significant increase in 1984, however, we will consider whether more detailed inquiries are justified.

Drug Traffickers

39. **Mr. Sackville** asked the Secretary of State for the Home Department what arrangements there are for the exchange with foreign countries of banking and other financial information on suspected drug traffickers.

Mr. Giles Shaw: Disclosure of such information depends on each country's law and practices. There is close contact with other countries in this field and any available information would normally be exchanged via Interpol.

Market Research

Mr. Coombs asked the Secretary of State for the Home Department what use is made of market research by his Department; and if he will make a statement.

Mr. Mellor: Prison Service Industries and Farms is the only organisation within the Home Department concerned with manufacturing and sales. It is about the review aspects of its marketing strategy, including market research, with the aid of commercial consultants.

Prisoners (Death Statistics)

Mr. Soley asked the Secretary of State for the Home Department whether the prisoner referred to in the answer of 17 April, *Official Report*, column *169*, as having died of natural causes, kidney failure, died of untreated renal failure or despite treatment.

Mr. Mellor: The prisoner concerned died whilst in a National Health Service hospital where she had been admitted some two months previously. It would not be appropriate for me to comment on the treatment given to an individual patient which is a matter for the consultant concerned.

Prisoners (Families)

Mr. Frank Field asked the Secretary of State for the Home Department if he will detail the cost to his Department of the scheme to assist prisoners' families with the expense of visiting their relatives in prison; and if he will place a copy of the scheme in the Library.

Mr. Mellor: Final figures for the financial year 1984—85 are not yet available and I refer the hon. Member to the reply given to a question from the hon. Member for Birmingham, Hodge Hill (Mr. Davis) on 20 December 1984 at column 292. A summary of entitlements under the scheme is provided by the supplementary benefits handbook, a copy of which is in the Library.

Videotape Recordings (Censorship)

Mr. Gale asked the Secretary of State for the Home Department when he expects to be able to designate the British Board of Film Censors as the classifying authority for videotape recordings.

Mr. Mellor: Under section 4 of the Video Recording Act 1984 my right hon. and learned Friend proposes to designate the principal officers of the board. Now that the vacancy in the chairmanship of the board has been filled by the appointment of the Earl of Harewood, he expects to be able to lay particulars of the proposed designation before Parliament shortly.

Identity Cards

Sir John Biggs-Davison asked the Secretary of State for the Home Department what recent representations he has received advocating the introduction of identity cards for the population.

Mr. Giles Shaw: My hon. Friend wrote to the Home Secretary on February on this subject. The question has also been raised in letters received from other hon. Members and members of the public.

HMS Conqueror (Log Books)

Mr. Dalyell asked the Secretary of State for the Home Department if he will call for a report from the Commssioner of Police of the Metropolis about the latest progress of police inquiries into the disappearance of log books from HMS Conqueror.

Mr. Giles Shaw: I understand that police inquiries are continuing.

European Music Day

Mr. Key asked the Secretary of State for the Home Department if he will call for reports from chief constables about the arrangements they are making for the holding of celebrations in public places to mark European Music Day on Saturday 22 June; and if he will make a statement.

Mr. Giles Shaw: We are not aware of any need to do so. As with other public events, chief officers of police will make whatever policing arrangements seem appropriate in local circumstances.

Shop Hours

Mr. Teddy Taylor asked the Secretary of State for the Home Department if he has any plans to promote legislation on shop hours; and if he will make a statement.

Mr. Mellor: I would refer my hon. Friend to the reply given today to a question from my hon. Friend the Member for Orpington (Mr. Stanbrook).

Police Vehicles (Accidents)

Mr. Peter Bruinvels asked the Secretary of State for the Home Department (1) how many road accidents involving police vehicles on emergency calls have occurred in each of the last three years; and if he will make a statement;

(2) how many people have *(a)* been killed or *(b)* been injured as a result of road accidents involving police vehicles on emergency calls in each of the last three years; and if he will make a statement.

Mr. Giles Shaw: The information requested is not readily available and could only be obtained at disproportionate cost.

Prisons (Education Facilities)

Mr. Freud asked the Secretary of State for the Home Department whether he is satisfied that education units in Her Majesty's prisons are being used to their maximum capacity; and if he will make a statement.

Mr. Mellor: Subject to operational constraints and the resources available, governors do their best to ensure that optimum use is made of the education unit, within the framework of management accountability set out in circular instruction No. 55/1984 to governors, a copy of which is in the Library.

Mr. Freud asked the Secretary of State for the Home Department what steps he proposes to take to seek to ensure that inmates of Her Majesty's prisons studying with the Open University are not moved to establishments where such study facilities are not available.

Mr. Mellor: Where possible, arrangements are already made to ensure continuity of study if an inmate has to be transferred. Where other factors require a transfer to an establishment which is not designated for Open University study the move may be timed to coincide with a normal break in studies.

Mr. Alhaji Umaru Dikko

Mr. Stanbrook asked the Secretary of State for the Home Department if he will announce his decision on the application for political asylum made by Alhaji Umaru Dikko.

Mr. Waddington: Mr. Dikko's application is still under consideration.

Mr. Stanbrook asked the Secretary of State for the Home Department what reply he has given to the request by the Government of Nigeria for the extradition of Alhaji Umaru Dikko.

Mr. Mellor: The request is still under consideration.

Immigration Statistics

Mrs. Renée Short asked the Secretary of State for the Home Department how many citizens of India have been either deported or refused entry clearance into the United Kingdom in each year since 1979.

Mr. Waddington: The information is given in the following table:

Number of persons deported from or refused clearance for entry to the United Kingdom

Number

Year	*Indian citizens deported*	*Persons in India* refused entry clearance*
1979	45	2,120
1980	59	1,980
1981	61	1,280
1982	52	1,410
1983	44	1,670
1984	44	1,250

* For entry for immediate settlement or for admission for a limited period as husbands, fiancees, students, visitors etc.

EC Directives

Mr. Foulkes asked the Secretary of State for the Home Department if he will list in the *Official Report* the details of each directive from the EEC since 1979 which is relevant to his Department; and what action he has taken in each case.

Mr. Mellor: As far as I am aware the only council directives bearing upon matters for which the Home Office has the lead responsibility are the second (COM(81)137) and third (COM(84)348) summer time directives on the starting and finishing dates for summer time. Orders conforming with the provisions of the second directive were approved by Parliament; and will shortly be laid in respect of the third directive.

European Convention on Human Rights

Mr. Silvester asked the Secretary of State for the Home Department if he will make it his policy to seek the opinion of the House before any decision is made by Her Majesty's Government to renew the acceptance by the United Kingdom of article 25 of the European Convention on Human Rights in January 1986.

Mr. Mellor: I am very aware of hon. Members' interest in this matter and I have much in mind the need to keep Parliament informed. I regret that no undertaking can be given at this stage, however, that parliamentary time could be made available for the purpose of a debate on this issue.

Deportation

Mr. Dubs asked the Secretary of State for the Home Department if he will list by nationality the number of people who have been deported from the United Kingdom in each year since 1979.

Mr. Waddington: The following table gives the information:

Persons deported from the United Kingdom 1979 to 1984
Number of persons

Nationality	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Commonwealth citizens						
Antigua	1	0	0	0	0	0
Australia	11	11	4	7	3	6
Bahamas	0	0	0	0	1	0
Bangladesh	5	8	5	3	6	6
Barbados	0	1	0	1	1	0
Bermuda	0	0	0	0	0	1
Brunei	0	0	1	0	0	0
Canada	3	10	7	8	3	1
Cyprus	36	31	61	51	23	39
Dominica	0	0	0	0	0	0
Fiji	0	2	0	4	0	0
Gambia	0	3	3	0	1	2
Ghana	85	102	120	123	123	140
Grenada	0	0	0	1	1	3
Guyana	4	6	8	5	3	4
Hong Kong (BDTC)	14	6	10	21	19	16
India	45	59	61	52	44	44
Jamaica	5	1	11	10	11	7
Kenya	5	5	3	7	7	2
Lesotho	0	1	0	0	0	0
Malawi	0	0	1	0	0	0
Malaysia	13	13	6	10	11	10
Malta	1	2	1	1	2	3
Mauritius	15	20	11	19	19	12
New Zealand	6	7	6	2	3	0
Nigeria	94	118	115	120	149	214
Seychelles	1	0	1	0	2	2
Sierra Leone	9	4	9	9	10	4
Singapore	1	3	2	1	2	2
Sri Lanka	7	18	16	13	21	6
St. Christopher and Nevis	0	0	0	0	0	1
St. Lucia	0	0	0	0	0	1
St. Vincent	0	0	0	0	2	1
Swaziland	0	0	0	1	0	0
Tanzania	10	10	1	4	1	4
Trinidad and Tobago	2	2	3	1	1	3
Uganda	0	0	3	3	9	2
West Indies Associated States*	1	4	3	7	0	—
Zambia	0	6	1	4	3	5
Zimbabwe	0	5	6	11	10	12
Gibraltar	0	0	0	0	1	0
Others	0	0	0	0	0	0
Total Commonwealth	374	458	479	499	492	553
Foreign nationals						
Afghanistan	1	0	0	0	0	0
Algeria	27	37	16	9	10	13
Andorra	0	0	0	0	0	0
Argentina	1	0	2	1	0	0
Austria	2	2	4	1	1	2
Bahrain	1	0	0	1	1	1
Belgium	2	1	2	8	3	3
Benin	0	1	0	0	0	0
Bolivia	0	0	1	1	3	5
Brazil	4	1	2	2	3	1
Bulgaria	0	0	0	0	0	0
Burma	0	0	0	1	0	0
Cameroons	0	2	1	1	0	0
Cape Verde	0	0	0	0	1	0
Chile	16	9	3	2	4	6
China	0	0	1	1	3	0
Colombia	20	28	30	18	21	18
Costa Rica	0	0	0	1	0	0
Czechoslovakia	0	0	0	0	0	0
Denmark	1	2	1	3	5	4
Djibouti	0	0	0	1	0	0
Ecuador	0	0	0	0	0	0
Egypt	21	32	26	13	16	13
Ethiopia	0	0	0	0	0	0
Finland	0	1	0	0	0	0
France	10	8	12	12	10	6
Germany (F.R.)	11	14	17	15	15	17
Greece	1	3	1	2	1	2
Honduras	0	0	0	0	1	0
Hungary	0	0	0	1	0	1
Indonesia	0	0	5	1	1	0
Iran	37	103	59	34	7	11
Iraq	3	4	3	5	2	2
Ireland	34	38	43	40	25	23
Israel	12	8	8	10	5	7
Italy	22	17	25	22	24	23
Ivory Coast	0	1	0	1	1	1
Japan	0	0	3	1	1	0
Jordan	4	3	5	3	0	4
Korea	0	0	0	1	0	0
Kuwait	0	0	0	3	0	0
Lebanon	3	2	0	1	1	1
Liberia	0	2	6	1	3	1
Libya	10	7	0	0	0	19
Leichtenstein	0	0	9	0	3	0
Luxembourg	0	0	0	0	0	0
Madagascar	0	0	0	0	1	0
Mali	0	1	0	0	0	0
Martinique	0	0	0	0	0	0
Mexico	0	0	0	1	0	1
Morocco	8	12	6	3	7	10
Mozambique	0	0	0	0	1	0
Nepal	0	1	1	0	1	0
Netherlands	1	1	4	8	10	17
Nicaragua	0	0	1	0	0	0
Norway	2	0	4	0	0	0
Oman	1	0	0	0	0	0
Pakistan	52	60	35	48	32	42
Panama	0	1	1	0	0	0
Peru	1	5	4	0	3	0
Philippines	6	2	2	0	3	2
Poland	5	2	7	0	0	0
Portugal	3	4	6	2	2	2
Qatar	0	0	0	0	1	0
Saudi Arabia	1	3	3	0	1	0
Senegal	0	0	0	2	0	0
Somalia	0	0	0	0	0	0
South Africa	9	5	9	4	6	6
Spain	6	8	7	6	2	4
Sudan	5	1	1	1	2	3
Sweden	2	2	0	2	0	3
Switzerland	0	1	0	1	0	0
Syria	3	1	5	0	1	1
Thailand	2	7	6	6	15	1
Tunisia	2	5	2	7	0	4
Turkey	28	39	48	33	38	56
United States of America	28	15	21	20	17	22
Uruguay	0	0	1	0	0	0
Venezuela	3	2	0	3	0	0
Yemen	1	0	1	1	2	0
Yugoslavia	4	4	4	2	3	4
Zaire	2	1	1	0	1	0
Stateless	0	2	2	0	3	2
Others	0	0	0	0	0	0
Total Foreign nationals	418	511	467	367	323	365

* The West Indies Associated States ceased to exist on 19 September 1983.

Police Violence

Mr. Canavan asked the Secretary of State for the Home Department what information he has as to the present alleged incidence of the use by police of excessive violence.

Mr. Giles Shaw: In 1984 the investigation of 3,278 complaints against police officers alleging assault was completed; 112 complaints were substantiated. In the same year 12 police officers were convicted in the criminal courts of offences of violence and four were sentenced to terms of imprisonment.

Detention Centres

Mr. Boyes asked the Secretary of State for the Home Department what consultations he has had about the sections relating to detention centres in the report from the Association of Directors of Social Services, entitled, "Children Still in Trouble", a copy of which has been sent to him.

Mr. Mellor: My right hon. and learned Friend has received a copy of the report and will study it with interest, including the passages on detention centres.

SCOTLAND

Rating and Valuation Service

Mr. Craigen asked the Secretary of State for Scotland what has been the cost of the rating and valuation service in Scotland in each of the past five years.

Mr. Ancram: On the basis of information provided by local authorities for the years 1981-82 to 1985-86 inclusive, current expenditure by regional and islands authorities on lands valuation and the collection of rates is as follows:

	Local authority current expenditure on:	
	Lands valuation £000 (cash)	*Collection of rates £000 (cash)*
1981-82	8,122	11,743
1982-83	8,324	13,389
1983-84	8,593	12,416
1984-85	10,060	14,963
1985-86	10,247	16,139

Notes:

1. All information is taken from expenditure returns provided by local authorities.
2. The figures for 1981-82 to 1983-84 are final or near final outturns; the figures for 1984-85 and 1985-86 are provisional outturns and budget estimates respectively.
3. The figures for collection of rates for all years include the cost of administering rate rebates.

Cormorants

Mr. Kilroy-Silk asked the Secretary of State for Scotland why it is impracticable for him to consult the Nature Conservancy Council before issuing licences to kill cormorants.

Mr. John MacKay: As required by the Wildlife and Countryside Act 1981, my right hon. Friend consults the NCC as to the circumstances in which, in the opinion of the council, licences should be granted for shooting cormorants for the purpose of preventing serious damage to fisheries. As I indicated to the hon. Member on 25 April, cormorants are a problem to the valuable salmon and trout fisheries generally in Scottish inland waters. No useful purpose would be served by consulting the NCC about individual applications for licences, which generally related to extensive stretches of open water.

"Smoking—The Scottish Epidemic"

Mr. Foulkes asked the Secretary of State for Scotland if he will make a statement on the document entitled, "Smoking—The Scottish Epidemic", by the Committee on Smoking and Health, a copy of which has been sent to him.

Mr. John MacKay: I am grateful to the Scottish Committee of Action on Smoking and Health for this revision of the "Scottish Epidemic" which it first published in 1983. The document brings out in a unique way the tragic extent of premature death and avoidable illness caused by cigarette smoking in Scotland by quoting the statistics on various local bases.

Smoking (Health Costs)

Mr. Foulkes asked the Secretary of State for Scotland what he estimates is the annual cost of smoking to the National Health Service; and what steps he has taken to reduce this cost.

Mr. John MacKay: Any estimate of the cost of smoking to the NHS will depend on the assumptions made in its calculation and there is no single correct figure. The figure of "at least" £21·488 million used by the Scottish Committee of Action on Smoking and Health is a reasonable estimate of the inpatient costs attributable to smoking on certain assumptions.

I attach importance to ensuring that no one smokes without being aware of the health hazards involved; and the key to our strategy is the promotion of health education. In addition to negotiation of voluntary agreements with the industry, other Government initiatives have included the issue of guidelines to retailers to prevent the illegal sale of cigarettes to children and the issue of leaflets to schools showing recent research facts about under-age smoking.

Tobacco Advertising

Mr. Foulkes asked the Secretary of State for Scotland if he will now introduce legislation to ban all advertising and promotion of cigarettes and tobacco.

Mr. John MacKay: No. The Government prefer to continue to proceed in this area by way of voluntary agreement with the tobacco industry.

Heart and Lung Diseases

Mr. Foulkes asked the Secretary of State for Scotland if he will estimate the number of people admitted to hospitals in the last year in Scotland suffering from *(a)* ischaemic heart disease, *(d)* lung cancer and *(c)* bronchitis and emphysema.

Mr. John MacKay: Statistics about patients treated in hospital for various disorders relate to the numbers discharged, not to those admitted. Figures are not yet available for 1984.

In 1983 the following numbers of people were discharged from hospital in Scotland after treatment for *(a)* ischaemic heart disease, *(b)* lung cancer and *(c)* bronchitis and emphysema.

Principal diagnosis

	Male	*Female*	*Total*
(a) ischaemic heart disease	19,110	11,342	30,452
(b) lung cancer	6,918	2,823	9,741
(c) bronchitis and emphysema	2,266	1,245	3,511

Rates

Mr. McQuarrie asked the Secretary of State for Scotland if he will estimate the number of additional civil servants who would be required to implement a system of local income tax to replace the present domestic rating system, and the probable cost against the public expenditure budget in Scotland.

Mr. Ancram: Chapter 6 of the December 1981 Green Paper "Alternatives to Domestic Rates" (Cmnd. 8449) made some estimates on various assumptions of the costs and manpower required to administer a local income tax. No more recent estimates are available to me, but I have no reason to believe the orders of magnitude will have changed substantially.

Mr. McQuarrie asked the Secretary of State for Scotland how many representations he has received from commercial businesses in Scotland whose rateable value has increased by more than a factor of four; and if he will make a statement.

Mr. Ancram: I have received quite a number of letters from commercial ratepayers in Scotland whose rate bills have very substantially increased following revaluation, but I cannot say how many of these had their rateable value multiplied by more than four.

Mr. McQuarrie asked the Secretary of State for Scotland if he will consider introducing measures to provide for the implementation of selective rates relief for all commercial businesses whose rates for 1984-85 have risen by more than a factor of four due to revaluation in Scotland; and if he will make a statement.

Mr. Ancram: There is at present no statutory machinery for giving such relief to commercial ratepayers. Nevertheless, the Government are concerned at the reported outcome of revaluation on a number of such ratepayers, and are currently involved in a ministerial review of the present system of financing local government.

Scottish Tourist Board

Mr. Wilson asked the Secretary of State for Scotland what level of funding he proposes for the Scottish tourist board in 1985-86; and how this figure compares with that for 1984-85.

Mr. John MacKay: My right hon. Friend intends to seek Parliament's approval for total grant aid to the board of £8·8 million in the current financial year. This compares with original budget estimate provision of £8·5 million in 1984-85.

Mr. Wilson asked the Secretary of State for Scotland what was the total amount paid out in grants by the Scottish Tourist Board in 1984-85; and how this figure compares with the total amounts in the three previous financial years.

Mr. John MacKay: The information is provided in the table:

	Amount paid out in grants £ million
1981-82	2·1
1982-83	2·1
1983-84	2·9
1984-85	4·3

Traffic Statistics

Mr. Gordon Brown asked the Secretary of State for Scotland if he will list the daily traffic flow figures recorded for the following roads *(a)* the M8 from Ratho to Newhouse, *(b)* the A9 from Perth, *(c)* the Forth Road Bridge, *(d)* the A92 at Hillend, *(e)* the A74, *(f)* the M9 from Ratho to Falkirk and *(g)* the M90.

Mr. Ancram: The information is as follows:

Route and location	*Annual average flow vehicles per 24 hour day*	*Year counted*	*Estimate for 1983*
(a) M8 Harthill-Newhouse	22,028	1981	23,886
(b) A9 North of Perth	7,977	1981	8,732
(c) Forth Road Bridge	32,880	1984	—
(d) A92 Hillend	12,258	1980	*14,634
(e) A74 Between A73 and A70	15,816	1982	16,427
(f) M9 Philpstoun-Linlithgow	13,205	1980	14,295
(g) M90 Pitreavie-Halbeath	17,665	1982	18,401

* In May 1984, a 7-day average of 16-hour daily counts at Hillend gave the following results: East of village 19,500
West of village 17,000

Note: The 1983 estimates in the table are based on the most recent actual count for the year shown, factored to take account of national traffic growth for the type of road concerned. Exceptional local factors have not been taken into account. The figures are annual averages: actual daily flows may be substantially higher or lower depending on seasonal and other variations.

Forth Road Bridge (Tolls)

Mr. Gordon Brown asked the Secretary of State for Scotland if he will set up an inquiry to review the financial arrangements placed upon the joint Forth road bridge board and the uses of the bridge in line with the recommendations of the public local inquiry into Forth road bridge tolls of 1981-82.

Mr. Ancram: No.

Mr. Gordon Brown asked the Secretary of State for Scotland if he will estimate the change in the level of use of the Forth road bridge once tolls are raised from 30p to 40p.

Mr. Ancram: This is not expected to be significant.

FOREIGN AND COMMONWEALTH AFFAIRS

Immigration Clearance Interviews (Tape Recording)

Mr Nellist asked the Secretary of State for Foreign and Commonwwealth Affairs if he will now introduce tape-recording of entry clearance interviews.

Mr. Renton: Following my visit to Pakistan and Bangladesh earlier this year, I have concluded that the costs of providing official tape recordings of interviews to proper standards would be disproportionate to the benefits.

I understand that similar considerations apply to the tape recording of interviews carried out in this country following application for entry clearance.

United Nations Integrated Programme for Commodities

Mr. Deakins asked the Secretary of State for Foreign and Commonwwealth Affairs what is the policy of Her Majesty's Government towards the United Nations integrated programme for commodities; what progress has been made in respect of each commodity; and if he will make a statement.

Mr. Renton: We continue to support the integrated programme for commodities (IPC) adopted by the United Nations Conference on Trade and Development at its fourth session in 1976.

Either in its own right, or as part of the European Community, the United Kingdom is a member of all existing international commodity agreements set up under the IPC. These comprise agreements for tin, coffee, cocoa and rubber which are designed to stabilise prices—the last two are soon to expire and are currently being renegotiated—and two "other measures" agreements, for jute and tropical timber, which are largely concerned with research and development. As a member of the Community, we also belong to agreements covering wheat and olive oil designed to improve market conditions by consultation between producers and consumers. The Community is a member, too, of a purely administrative agreement for sugar. The United Kingdom ratified the common fund for commodities, another element of the IPC, in 1981.

We continue to work to ensure that these commodity agreements operate as effectively as possible, and are participating constructively in international work to establish the scope for new agreements or other arrangements for the IPC commodities on a commodity by commodity basis. We support the conclusion of new agreements where they are feasible, cost-effective and beneficial to both producers and consumers alike.

Tel Aviv (Incident)

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what information he has received from Her Majesty's ambassador in Tel Aviv regarding the incident described by representatives of the general command of Palestine revolution forces, as broadcast on Voice of Palestine at 1530 hours Greenwich mean time on 22 April, that a ship carrying Palestine guerillas was sent on 20 April to attack targets within the city of Tel Aviv itself; and what observations Her Majesty's ambassadors in Arab countries have made to their host Governments regarding the effect of violence of this kind by Palestine guerillas on the Venice declaration peace process, or that outlined by President Reagan.

Mr Renton: We have noted that responsibility for this incident was claimed by a group which rejects current initiatives to reach a peaceful solution to the Arab-Israel dispute. Our condemnation of violence from whatever quarter is well known. We continue to believe that a solution can be reached only through peaceful negotiations btween the parties directly concerned, at which the voice of the Palestinians would be heard.

Namibia (Fishing Limits)

Mr. Martin Stevens asked the Secretary of State for Foreign and Commonwealth Affairs whether the European Economic Community recognises a 12-mile nautical fishing limit off the coast of Namibia in South-West Africa.

Mr. Renton: There is no fishing agreement between th Community and Namibia and so the question of recognition by the Community of Namibian fishing limits has not arisen.

Human Rights

Mr. Silvester asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to the number of individual applications made against each of the states which have accepted the right of individual petition under article 25 of the European convention on human rights for 1982, 1983 and 1984.

Mr. Renton: As the European Commission of Human Rights does not maintain a statistical record, broken down by country, showing the number of applications made against individual member states, no such information is available to me.

Mr. Silvester asked the Secretary of State for Foreign and Commonwealth Affairs what is the cost to Her Majesty's Government in the latest 12 months for which figures are available of dealing with individual applications against the United Kingdom lodged with the European Commission of Human Rights including those referred to the court.

Mr. Renton: The information is not available and can be compiled only at disproportionate cost.

Mr. Silvester asked the Secretary of State for Foreign and Commonwealth Affairs how many cases have been referred to Her Majesty's Government for observations by the European Commission of Human Rights; and what is the subject matter of these cases.

Mr. Renton: Since 1966 a total of 823 cases have been communicated to us by the European Commission of Human Rights.

In every case where the Commission has requested observations, these have been supplied. In some cases the Commission does not make a request and in others additional observations are submitted either at the request of the Commission or where the Government consider it appropriate.

Figures for the numbers of observations submitted over the period are not available.

Mr. Silvester asked the Secretary of State for Foreign and Commonwealth Affairs how many cases arising from individual applications against the United Kingdom are currently known to be under consideration by the European Commission of Human Rights; and if he will briefly list the subject matter of each such case.

Mr. Renton: A member state is not officially notified when an individual application is made against it to the European Commission of Human Rights. Such information becomes available only when the Commission communicates the case to the Government. At the end of 1984 a total of 132 cases against the United Kingdom were before the Commission. The subject matter of these was:

	Number
Prisoners' complaints on conditions	18
Prisoners access to correspondence	4
Prisoners' letters censorship	27
Nationalisation compensation	2
Deportation orders	6
Refused entry to United Kingdom	11
Lease hold reform	2
Mental health detainees	6
Wardship cases	5
Corporal punishment	8
Freedom of expression	2
Unlawful detention	3
Immigrants rule	25
Video piracy	1
Trade union disputes	3
Sex change	3
Injury compensation	1
Criminal injury in Northern Ireland	1
Contempt of court	1
Compulsory purchase order	1
Aircraft noise	1
Legal aid	1
Total	132

Dhaka (Entry Clearance)

Mr. Moynihan asked the Secretary of State for Foreign and Commonwealth Affairs what arrangements he is making in Dhaka to expedite interviews for first-time applications for clearance in the non-priority category.

Mr. Renton: We are arranging for first-time applicants for entry clearance to be placed in a queue that will have priority over those who have previously applied and been refused. This new arrangement will not affect those in the priority queues.

Mr. Godfrey Shiner

Mr. Greenway asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the circumstances in which Mr. Godfrey Shiner was released from detention in Egypt.

Mr. Renton: Mr. Shiner was released from detention conditionally on bail in Egypt on 23 February 1985 following an application by his lawyer to the Egyptian courts. Mr. Shiner was originally detained on 17 November for questioning by Egyptian police in connection with an alleged plot to assassinate a Libyan exile. He was due to leave Egypt on 30 April under a deportation order. His departure has been delayed and we have asked the Egyptian authorities the reason for this delay.

DEFENCE

European Fighter Aircraft

Mr. Robert Atkins asked the Secretary of State for Defence if he will make a statement on the current position in international negotiations for the construction of a European fighter aircraft.

Mr. Heseltine: The current position is that evaluation of the reports of the EFA feasibility study has been completed. Meetings at official level are continuing in order to prepare the ground for the EFA Defence Ministers' meeting to which I referred yesterday in response to a question from the hon. Member for Preston (Mr. Thorne).

Parliamentary Questions

Mr. George asked the Secretary of State for Defence how many parliamentary questions tabled for oral answer he has answered in each Session since 1979-80.

Mr. Heseltine: The figures for parliamentary questions tabled for oral answer which were answered by Ministers in my Department in each Session since May 1979 are as follows:

	Number
1979-80	344
1980-81	302
1981-82	360
1982-83	306
1983-84	365
1984-85 (to date)	326

These figures include questions which, although tabled for oral answer, received a written reply.

Mr. George asked the Secretary of State for Defence how many parliamentary questions, written and oral, on naval matters he has answered over the last three parliamentary Sessions.

Mr. Heseltine: I regret that records are not maintained in a form which would enable this information to be provided without disproportionate effort and cost.

Departmental Bills

Mr. George asked the Secretary of State for Defence how many Bills have been introduced by his Department since the session 1979-80.

Mr. Stanley: Since and including the Session of Parliament that began in May 1979 the Ministry of Defence has introduced four Bills.

Clyde Submarine Base

Mr. Campbell asked the Secretary of State for Defence if he has any plans to privatise any of the operations at the Clyde submarine base.

Mr. Lee: No, but current studies in the naval support area could lead to proposals for contracting out certan non-operational tasks at the base.

Pensions

Mr. Jackson asked the Secretary of State for Defence if he will estimate the approximate net effect on public expenditure of all those retired officers of the rank of colonel and equivalent being given retired pay at the single consolidated rate of £12,152 per annum, less income tax at 30 per cent. on the amount of any overall increase, rather than at the various different rates derived from the different dates of retirement.

Mr. Lee: The current additional cost would be of the order of £4·25 million a year.

Mr. Jackson asked the Secretary of State for Defence how many officers currently in receipt of service pensions

retired with the rank of colonel or equivalent during the periods *(a)* 1 January 1975 to 31 March 1976 and *(b)* 1 January 1977 to 31 December 1977.

Mr. Lee: Information is not available for the periods in question. However, the numbers of male and female officers of the rank of colonel or equivalent who retired in the periods for which information is available are:

Period	*Number of officers*
1 April 1974 to 31 March 1975	95
1 April 1975 to 31 March 1976	159
1 April 1976 to 31 March 1977	128
1 April 1977 to 31 March 1978	113

El Salvador

Mr. Dubs asked the Secretary of State for Defence what military assistance is being provided to the Government of El Salvador; what training facilities for El Salvador military personnel are being provided in the United Kingdom; how many are being trained: and what is the type of training involved.

Mr. Lee: I refer the hon. Gentleman to the answer given by my hon. Friend the Under-Secretary of State for Foreign and Commonwealth Affairs on 11 March at columns 54-55.

Service Bands

Mr. Trotter asked the Secretary of State for Defence which service bands *(a)* have been and *(b)* are to be disbanded or amalgamated; and what changes are taking place in the individual size of the continuing bands.

Mr. Lee: The following service bands have been disbanded since 1981:

Royal Marines
Band of Flag Officer Naval Air Command
Band of Commando Forces Royal Marines

Army
RMA Sandhurst Band Corps
Royal Artillery (Mounted) Staff Band
Royal Engineers (Aldershot) Staff Band
Royal Army Medical Corps Staff Band
5 Infantry battalion bands: 1 each in the Queen's Regiment, The Royal Regiment of Fusiliers, The Light Infantry, The Royal Greenjackets, The Parachute Regiment.
(This completes the Army band reductions announced in 1981.)
The Royal Marine band of the Flag Officer, Third Flotilla will be disbanded on 1 April 1987.

As at April 1985 the following changes in the individual size of remaining bands had taken place:

Royal Marines
The band of Her Majesty's Royal Marine Commandos, formerly the band of Commando Training Centre, Royal Marines has been increased to staff band size from 42 to 66 bandsmen.

Army
The following table shows changes in individual bands since 1981:

Name of Band	*December 1981 Strength*	*April 1985 Strength*
Life Guards	40	35
Royal Horse Guards and 1st Dragoons	40	35
Grenadier Guards	60	50
Coldstream Guards	60	50
Scots Guards	60	50
Irish Guards	60	50
Welsh Guards	60	50
Royal Artillery Woolwich	35	50
Royal Artillery Alanbrooke	35	35
Royal Engineers Chatham	37	50
Royal Signals	50	50
Royal Tank Regiment Alamein	31	22
Royal Tank Regiment Cambrai	31	22
1 Royal Regiment Fusiliers*	28	Nil
2 Royal Regiment Fusiliers	28	35
3 Royal Regiment Fusiliers	28	35
1 Royal Anglican Regiment	28	22
2 Royal Anglican Regiment	28	22
3 Royal Anglican Regiment	28	22
King's Own Border	28	22
Prince of Wales Own	28	22
Green Howards	28	22
King's Regiment	28	22
1 Royal Irish Rangers	28	22
2 Royal Irish Rangers	28	22
Queen's Lancashire Regiment	28	22
Duke of Wellington's Regiment	28	22
The Devonshire and Dorset Regiment	28	22
22nd Cheshire Regiment	28	22
Royal Welch Fusiliers	28	22
Royal Regiment of Wales	28	22
1st Battalion Glosters	28	22
Worcestershire and Sherwood Foresters	28	22
Royal Hampshire Regiment	28	22
Staffordshire Regiment	28	22
Duke of Edinburgh's Royal Regiment	28	22
1 Light Infantry*	28	35
2 Light Infantry	28	35
3 Light Infantry	28	Nil
1 Royal Green Jackets*	28	35
2 Royal Green Jackets	28	Nil
3 Royal Green Jackets	28	35
Royal Tank Regiment Rhine	31	22
Brigade of Gurkhas	60	50
Royal Corps of Transport	43	35
Royal Army Ordnance Corps	31	35
Royal Electrical and Mechanical Engineers	43	35
Women's Royal Army Corps	42	35
Queen's Dragoon Guards	28	22
Royal Scots Dragoon Guards	28	22
4/7th Dragoon Guards	28	22
5th Royal Inniskilling Dragoon Guards	28	22
Queen's Own Hussars	28	22
Queen's Royal Irish Hussars	28	22
9/12th Royal Lancers	28	22
Royal Hussars	28	22
13/18th Royal Hussars	28	22
14/20th King's Hussars	28	22
15/19th King's Hussars	28	22
16/5th Royal Lancers	28	22
17/21st Royal Lancers	28	22
The Royal Scots	28	22
Royal Highland Fusiliers	28	22
King's Own Scottish Borderers	28	22
Black Watch	28	22
Queen's Own Highlanders	28	22
Gordons	28	22
Argyll and Sutherland Highlanders	28	22
1 Queen's*	28	35
2 Queen's	28	Nil
3 Queen's	28	35
1 Para*	28	35
2 Para	28	35
3 Para	28	Nil

No further reductions or amalgamations are planned.

* Colonel of Regiment chose the option of two larger bands rather than three smaller bands.

Mr. Trotter asked the Secretary of State for Defence what is the present number of bands and strength of the band service for each of the Royal Marines, Army and Royal Air Force; what is the planned further reduction in bands and men in each case; and what were the figures in each case before the recent reductions in the band services began.

Mr. Lee: The information requested is set out in the following table:

	At December 1981		*At April 1985*		*At April 1987 (completion of band reductions)*	
	Bands	*Band Personnel*	*Bands*	*Band Personnel*	*Bands*	*Band Personnel*
Royal Marines	10	464	8	404	7	382
Army	78	2,531	69	1,991	69	1,991
Royal Air Force	6	273	6	*266	6	272

* Reflects losses following RAF Band accident in Germany.

Courts Martial

Mr. Bermingham asked the Secretary of State for Defence what written guidance or advice is given to service personnel who are summoned to appear before a general court martial.

Mr. Lee: Each service had produced a pamphlet which is available to those who are likely to be remanded for trial by court martial. These provide a short guide to the rights, duties and liabilities which the accused may have under the appropriate service Discipline Act. Additional detailed guidance is contained in Queen's Regulations, the Rules of Procedure (Army) and (Air Force) and from the appropriate manual of service law.

Mr. Bermingham asked the Secretary of State for Defence, what facilities are made available to service personnel who are due to appear before a court martial to obtain independent legal advice.

Mr. Lee: A service man is entitled to have a civilian lawyer to defend him at a court martial wherever it is practicable to provide one. The accused is required to be afforded proper opportunity to communicate with the defending officer or counsel to enable him to prepare his defence. Legal aid may in appropriate cases be made available.

Mr. Bermingham asked the Secretary of State for Defence what guidance or instructions are given to the presidents of courts martial so as to ensure that the question of ranking does not affect the conduct of the courts martial; and if he will place a copy of guidance, if any, in the Library.

Mr. Lee: The rules of conduct for courts martial are contained in the Naval Courts-Martial (Procedure) Order 1957 (Statutory Instrument No. 1957/2225), the Rules of procedure (Army) (Statutory Instrument No. 1972/316, as amended by SI 1977/92, SI 1981/1220, SI 1982/369, SI 1983/719, and SI 1984/1670), and the Rules of Procedure (Air Force) (Statutory Instrument No. 1972/419 as amended by SI 1977/94, SI 1981/1219, SI 1982/368, SI 1983/718 and SI 1984/1669). These rules require that the opinion of each member of the court martial as to the finding on the charge and on sentencing is to be given orally, in closed court in order of seniority commencing with the most junior in rank. The statutory instruments above are available in the Library.

Mr. Bermingham asked the Secretary of State for Defence how many courts martial were held in the years 1982, 1983 and 1984, listing the number of convictions and acquittals in each year.

Mr. Lee: The information is as follows:

Year	*Number of Trials*	*Convictions (No. of Persons)*	*Acquittals (No. of Persons)*
1982	1,437	1,489	65
1983	1,148	1,213	66
1984	1,114	1,161	76

Note: Number of trials includes dissolved and adjourned cases.

Mr. Bermingham asked the Secretary of State for Defence how many appeals there were against the decisions of courts martial in the years 1982, 1983 and 1984; and how many were successful, listing them as to appeals against *(a)* sentence and *(b)* conviction.

Mr. Lee: My noble Friend, the Parliamentary Under-Secretary of State for the Armed Forces will write to the hon. Member when the information has been assembled.

Flying Officer Allan James Malcolm

Mr. Bermingham asked the Secretary of State for Defence what financial payments were made, or are proposed to be made, to Flying Officer Allan James Malcolm following the quashing of his court martial conviction.

Mr. Lee: This officer was awarded appropriate pay and allowances from the date of his leaving the service, following his court martial in 1975, until the date of his reinstatement, when the court martial conviction was quashed in 1979.

Defence Installations (West Midlands)

Mr. John Mark Taylor asked the Secretary of State for Defence if he has any plans to visit any defence installations in the west midlands.

Mr. Heseltine: I have no immediate plans to do so.

SP70 Gun

Mr. Best asked the Secretary of State for Defence when the SP70 gun will be brought into service.

Mr. Butler: In the early 1990s.

Community Health Council (BAOR)

Mr. Freud asked the Secretary of State for Defence whether he has any plans to introduce a community health council for men serving with the British Army of the Rhine and their dependants; and if he will make a statement.

Mr. Lee: There are no current plans to introduce a community health council for men serving with the British Army of the Rhine and their dependants. However, overseas SSAFA social workers undertake the major responsibilities of local authority social services in United Kingdom.

Welfare Services (BAOR)

Mr. Freud asked the Secretary of State for Defence what provision there is for men serving with the British Army of the Rhine and their dependants to voice opinions on the provision of welfare services to which they have access; and how it compares with the United Kingdom.

Mr. Lee: Men serving in the British Army of the Rhine can make representation about welfare matters through their commanding officers. In the case of their families, welfare committees are established in all major garrisons and stations to consider matters of common interest. These committees, which meet regularly, include representatives of the garrison or station staff, service men or their wives and of local welfare agencies.

Any matters which cannot be resolved locally are referred to the next level of command and ultimately to the Ministry of Defence. The system, both for service men and their families, is identical in the United Kingdom and Germany.

Cervical Smear Tests (BAOR)

Mr. Freud asked the Secretary of State for Defence (1) what steps he will take to improve the availability of cervical smear tests for wives and daughters of men serving with the British Army of the Rhine;

(2) whether he will make a statement on the availability of cervical smear tests for wives and daughters of men serving with the British Army of the Rhine.

Mr. Lee: Cervical smear testing is available to all service women and female dependants of service men serving in BAOR as well as to the female dependants of entitled civilians. The availability of these tests is widely publicised and no further steps are considered necessary to improve the availability of cervical smear testing.

Infant Mortality (BAOR)

Mr. Freud asked the Secretary of State for Defence whether he will list the infant mortality rate for families of men serving with the British Army of the Rhine.

Mr. Lee The infant mortality rates for the last three years for British forces Germany (including RAF Germany) are set out below. The figures include deaths of infants born with congenital diseases.

Year	*Infant Mortality Rate per cent.*	*Neo-Natal Mortality BFG per cent.*	*Post Neo-Natal Mortality BFG per cent.*
1982	13·4	6·4	6·8
1983	10·5	4·6	5·5
1984	11·8	7·0	4·8

Mr. Freud asked the Secretary of State for Defence what steps he is taking to improve the infant mortality rate amongst families of the British Army of the Rhine.

Mr. Lee: All those dealing with infants and their families — paediatricians, general practitioners and SSAFA nursing services—are alerted to the problem so as to be able to take preventitive action. All babies leaving hospital are given an "at risk" score, which alerts the primary health care team to the probable degree of risk of infants. The effectiveness of this system can be seen by the falling postneonatal mortality rate.

Peace Demonstrators (Photographs)

Mrs. Renée Short asked the Secretary of State for Defence in what circumstances military police are entitled to photograph peace demonstrators after being arrested; if such photographs can be sent to the person or persons concerned; whether they are destroyed; and who can witness their destruction.

Mr. Lee: It is the usual practise of both the Ministry of Defence police and the Home Department police forces to photograph persons taken into custody and suspected of having committed a criminal offence. These photographs may be needed as evidence if a prosecution takes place but if no proceedings are taken, the photographs are destroyed. It would be administratively impracticable either to return unused photographs automatically or to invite witnesses to their destruction.

Waste Material (Faslane-Glenboig)

Mr. Tom Clarke asked the Secretary of State for Defence why the hon. Member for Monklands, West has not yet received the detailed information about the waste material to be transported from Faslane to Glenboig, which was promised to him by officials of his Department at Faslane.

Mr. Stanley As I said to the hon. Member in my reply to him on 25 April, my hon. Friend the Under-Secretary of State at the Department of the Environment will be writing to him.

SOCIAL SERVICES

Market Research

Mr. Coombs asked the Secretary of State for Social Services what use is made of market research by his Department; and if he will make a statement.

Mr. Fowler: My Department commissions studies which gather information on the need for a particular kind of service, on the extent to which existing services are achieving their aims, to assist in the development of policy, on the effectiveness of communications like forms, leaflets and advertisements and on the most effective way to react to a changing situation — for example, the

misuse of drugs. Market research is undertaken by outside organisations and educational establishments, but may also be undertaken by departmental staff, for example, to test whether a form is clear.

Benefits

Mrs. Beckett asked the Secretary of State for Social Services how many recipients of *(a)* standard housing benefit rent assistance, rent rebates and allowances, *(b)* standard housing benefit rates assistance giving rate rebates only and excluding those also receiving rent rebates and allowances and *(c)* mortgage interest tax relief have gross annual incomes in the following bands: (i) up to £4,999, (ii) £5,000 to £5,999, (iii) £6,000 to £6,999, (iv) £7,000 to £7,999, (v) £8,000 to £8,999, (vi) £9,000 to £9,999, (vii) £10,000 to £12,499, (viii) £12,500 to £14,999, (ix) £15,000 to £19,999, (x) £20,000 to £24,999 and (xi) £25,000 and more.

Mr. Whitney: I regret that the information relating to housing benefit could be obtained only at disproportionate cost. Information relating to mortgage interest tax relief is a matter for my right hon. Friend the Chancellor of the Exchequer.

Glaucoma.

Mr. Pavitt asked the Secretary of State for Social Services if he will issue instructions that all eye testing for spectacles should include tests for intraocular pressure to ensure early diagnosis of the onset of glaucomaa.

Mr. Kenneth Clarke: No. The use of ophthalmoscopy for the detection of glaucoma is already part of the routine sight test carried out under the General Ophthalmic Service (GOS). There is also a requirement on GOS practitioners to inform the patient's doctor if any abnormality is detected in the course of the sight test. We are satisfied that these arrangements provide the necessary safeguards for patients.

Private Hospitals

Mr. Pavitt asked the Secretary of State for Social Services how many patients have been removed from private hospitals to the intensive care unit at Guy's hospital; and if he will list the names of the private hospitals and the dates of transfer in each of the last three years.

Mr. Kenneth Clarke: We do not hold this information centrally. The hon. Member may like to make enquiries of the chairman of the Lewisham and North Southwark health authority.

Cervical Cancer

Mr. Nicholas Brown asked the Secretary of State for Social Services if he will now allocate additional resources to health authorities in the north of England to pay for smear testing for cancer of the cervix; and if he will make a statement.

Mr. Kenneth Clarke: We have distributed nearly £500 million additional cash to health authorities in England in 1985-86. The Northern regional health authority received an additional £33 million. It is for authorities to determine how this is to be used in accordance with the Government's priorities for service development.

NHS (Hospital Expenditure)

Mr. Ralph Howell asked the Secretary of State for Social Services if, in the manner of the reply to the hon. Member for Norfolk, North on 19 March, *Official Report*, columns *452-58*, he will provide figures for expenditure by hospital authorities, analysed subjectively, for 1983-84; and if he will also publish comparable figures, at current and 1983-84 prices, and comparable percentages for 1960 and 1970.

Mr. Kenneth Clarke: for the analysis of expenditure in 1983-84, I refer my hon. Friend to my reply to him on 21 December 1984 at columns *412-14*. We are not able to present these figures in the same format as the 1960-61 and 1970-71 figures given in my reply to him on 19 March because of fundamental changes in the structure and in the accounting and reporting arrangements of the National Health Service over this long period.

State Earnings-Related Pension Scheme

Mr. John asked the Secretary of State for Social Services if he will state, for the latest date for which figures are available the number of *(a)* persons, *(b)* men and *(c)* women in the work force who (i) were contracted in to the state earnings-related pension scheme, (ii) were contracted out of the state earnings-related pension scheme, (iii) had changed from contracted-in employment to contracted-out employment in the previous year, (iv) had changed from contracted-out employment to contracted-in employment in the previous year and (v) had at some time in their lives been contracted in to the state earnings-related pension scheme.

Mr. Whitney: The available information is included in the table.

Great Britain—1981-82

Thousands

	Men and Women	*Men*	*Women*
Contracted in	9,458	5,848	3,610
Contracted out	8,855	6,683	2,172
Contracted in and out in same year	947	611	337

The figures cannot be broken down by movement from contracted-in to contracted-out employment and vice versa. Information about the number of people who have ever been contracted-in to the state earnings-related pension scheme is not available.

Pensions

Mr. John asked the Secretary of State for Social Services if he will state separately for men and for women *(a)* the number and proportion of those reaching retirement age in 1984 who were entitled to an additional pension under the state pension scheme, *(b)* the average additional pension payable to those retiring in 1984 and entitled to such a pension, *(c)* the equivalent figures for guaranteed minimum pension and *(d)* the number and proportion of supplementary pensioners and partners of supplementary pensioners who would have been lifted off supplementary benefit if they had been in receipt of an additional pension equal to the average specified in *(b)*.

Mr. Whitney: The available information is in the table.

Persons reaching retirement age in year to 30 September 1983 (GB)

	Men and Women			Men			Women		
	No.	*Per cent.*	*Average Amount £*	*No.*	*Per cent.*	*Average Amount £*	*No.*	*Per cent.*	*Average Amount £*
Additional component	213,720	45·1	3·83	161,000	78·8	4·09	52,720	19·6	3.03
GMP	117,820	24·9	4·12	91,360	44·7	4·31	26,460	9·8	3·45

Figures for the number of supplementary pensioners and their partners who would be lifted off supplementary benefit by receipt of the average amount of additional component are not available.

Liverpool Women's Hospital

Mr. Parry asked the Secretary of State for Social Services what has been the trend in lengths of waiting lists at the Liverpool women's hospital since May 1979.

Mr. John Patten: The available information is given in the table. No information is held centrally on numbers awaiting outpatient appointments. In general, figures on waiting lists are believed to include a significant proportion of duplicated entries and patients who no longer require treatment. The amount of overstatement cannot readily be estimated, but is thought to exceed 10 per cent. nationally and could be considerably more. About half of all admissions to hospital are immediate, and many of those on waiting lists already have a planned date of admission.

Number of persons on inpatient waiting list at 31 December	*Women's Hospital, Liverpool*
1979*	887
1980	726
1981	520
1982*	651
1983	563

* In general, figures for these years were affected by industrial action in the Health Service.

Board and Lodging Payments

Mr. Freud asked the Secretary of State for Social Services whether he will define the term hostel under the regulations relating to board and lodging payments for young people.

Mr. Whitney: The term "hostel" is defined in paragraph 7(i) of schedule 1A of the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 (SI 1985, No. 613).

Mr. Freud asked the Secretary of State for Social Services what considerations were taken into account in designating Wisbech a resort for the purpose of the new regulations relating to board and lodging payments for young people.

Mr. Whitney: The board and lodging areas are groups of local social security office areas, which have been drawn up taking account of the Department and Employment travel-to-work areas to reflect as far as possible established accommodation, employment and travelling patterns. Having regard to the board and lodging area as a whole in which Wisbech lies, it was considered that a two-week limit was appropriate for payment as a boarder for certain young people aged 25 and under.

Doctors (Reimbursement)

Mr. Nicholas Winterton asked the Secretary of State for Social Services how much he estimates the procedures laid down in circular HC(85)9 for reimbursement of doctors acting as unit general managers or medical representatives will cost in the first full year to which it applies.

Mr. Kenneth Clarke: No unit general managers have yet been appointed and we are not in a position to estimate how many will be doctors or what the cost of employing them will be.

Unit medical representatives will be paid only by those district health authorities who wish to employ them for management duties and we cannot estimate how many DHAs will choose to do so. The remuneration of unit medical representatives is at the discretion of the district health authority up to a maximum of £2,500 per annum and is to be determined individually on the basis of their management commitments, where such commitments are part of the job description.

Pyridoxine

Mr. Ashley asked the Secretary of State for Social Services if he has any evidence concerning a relationship between overdoses of pyridoxine by pregnant women and deformities in babies.

Mr. Kenneth Clarke: We are not aware of any evidence of a direct causal connection between pyridoxine use and foetal abnormalities.

Mr. Ashley asked the Secretary of State for Social Services (1) what is his estimate of the number of people who take pyridoxine; and how many of them are pregnant women;

(2) if he will list the preparations which contain pyridoxine; and if there has been any appreciable increase in their uses in recent years.

Mr. Kenneth Clarke: There are 281 licensed medicinal products which contain pyridoxine or pyrodoxine hydrochloride. I am sending a list of these to the right hon. Member. I am advised that pyridoxine is also sold as a dietary supplement and not as a medicinal product, but this use is not within the terms of the Medicines Act and we do not know how many such products there are. We do not have information on the number of people using pyridoxine, either in medicinal products or as a dietary supplement.

Nurses (Training)

Mrs. Renée Short asked the Secretary of State for Social Services why the Brighton school of nursing intends

to cancel the RSCN training course due to start next October; if he will inquire of the district health authority what resources are required to enable the students who have already been offered and have accepted places on the course to complete the course; and if he will make such funds available for this training.

Mr. Kenneth Clarke: This is a matter for Brighton health authority. The hon. Member may wish to seek this information from the chairman of the authority.

EC Directives

Mr. Foulkes asked the Secretary of State for Social Services if he will list in the *Official Report* the details of each directive relevant to his Department from the EEC since 1979; and what action he has taken in each case.

Mr. John Patten: I shall let the hon. Member have a reply as soon as possible.

Mildmay Mission Hospital

Mr. Sackville asked the Secretary of State for Social Services whether agreement has been reached on the transfer of the Mildway mission hospital Shoreditch, to the hospital's league of friends; and if he will make a statement.

Mr. Kenneth Clarke: Yes. In May 1984 the principle of leasing the hospital to the league of friends on a concessionary basis was agreed, subject to the fulfilment of a number of conditions relating to use and assurances of adequate financial support. The North-East Thames regional health authority has negotiated with the league of friends on our behalf and we are satisfied that the conditions and assurances sought have been met. We have therefore agreed to lease the hospital to the friends on a long-term basis at a peppercorn rent.

The hospital will be run in accordance with the original Christian objectives for which it was established last century. It will provide a range of services, including nursing home beds, GP beds and day facilities for the elderly. It will, I believe, complement NHS services in Shoreditch in the same way as other voluntary or religious foundations have complemented the work of the National Health Service since its inception. We wish the Mildmay well in its new role.

NORTHERN IRELAND

Death (Statistics)

Mr. Frank Field asked the Secretary of State for Northern Ireland if he will list, from available health service records and death certificate registrations, how many deaths occurred in Northern Ireland from the following diseases in each of the years between 1970 and 1984: *(a)* asbestosis, *(b)* mesothelioma of the pleura, *(c)* mesothelioma of the peritoneum and *(d)* respiratory tract cancers with proven asbestos exposure during life.

Mr. Chris Patten: The available information is as follows:

Year	Asbestosis (a)	Mesothelioma of the Pleura (b)	Mesothelioma of Peritoneum (c)
1970	3	2	3
1971	1	3	4
1972	5	3	6
1973	5	5	4
1974	1	6	10
1975	10	4	4
1976	10	6	4
1977	5	4	8
1978	10	2	7
1979	9	4	2
1980	13	2	2
1981	9	2	1
1982	3	3	4
1983	6	6	2
1984	12	3	2

Information on the number of deaths from respiratory tract cancers with proven asbestos exposure during life is not available.

Benefits

Mr. Frank Field asked the Secretary of State for Northern Ireland (1) if he will list how many claims were made and how many were accepted for each year from 1970 to 1984 inclusive for industrial death benefit in respect of *(a)* asbestosis, *(b)* mesothelioma of the pleura, *(c)* mesothelioma of the peritoneum;

(2) how many claims and how many awards were made under the industrial injuries scheme of disablement benefit for the years 1970 to 1984, inclusive, for the following diseases: *(a)* asbestosis, *(b)* mesothelioma of the pleura, *(c)* mesothelioma of the peritoneum.

Mr. Chris Patten: The information requested is not readily available and could be obtained only at disproportionate cost.

Elderly Persons (Telephones)

Mr. Beggs asked the Secretary of State for Northern Ireland how many telephones have been installed for the elderly in each of the last five years for which records are available; and what additional provision is being made for future installation of telephones for the elderly.

Mr. Chris Patten: Specific figures for the number of people over 65 years of age who were assisted with the costs of their telephones have only been available since 1981 and are as follows:

Year	Number
1981	490
1982	491
1983	707

It is for health and social services boards to decide how much they should allocate from within their total budget to be spent on the provision of telephones taking into account the priority accorded to the scheme within the entire provision of services.

Housing Associations

Mr. Beggs asked the Secretary of State for Northern Ireland if he will list the housing associations in East Antrim.

Mr. Chris Patten: Two registered associations — McGarel Housing Association Limited and Latharne Housing Association Limited — operate exclusively within the East Antrim parliamentary constituency area.

In addition the following Associations have carried out, or are in the process of carrying out, developments in the area:

Abbeyfield (NI) Development Society Limited
Belfast Improved Houses Limited
Ben Madigan Housing Association Limited
Fold Housing Association
Hearth Association
James Butcher Housing Association (NI) Limited
Nih Housing Association Limited
The Royal British Legion Housing Association (NI) Limited
Students Housing Association Co-op Limited

Mr. Beggs asked the Secretary of State for Northern Ireland if he will list the administrative payments made to each housing association in each of the last five years for which records are available.

Mr. Chris Patten: Payments of revenue deficit grant under article 139 of the Housing (NI) Order 1981, the calculation of which includes administrative expenditure and contributions towards administrative and other expenses under article 115 of the Housing (NI) Order 1981 are as follows.

Housing association grant under article 137 of the Housing (NI) Order 1981 also includes allowances towards administrative expenditure in connection with approved housing projects but this information is not readily available in the form requested and could only be obtained at disproportionate cost.

Housing Association		*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*
Abbeyfield (NI) Development Society Ltd.	*(a)*	—	—	—	—	—
	(b)	—	500	—	—	—
Ballynafeigh Housing Association Ltd.	*(a)*	—	12,738	6,927	—	—
	(b)	—	811	8,728	—	—
Baptist Union of Ireland Housing Association Ltd.	*(a)*	—	—	—	—	—
	(b)	—	—	—	—	991
Belfast Improved Houses Ltd.	*(a)*	42,236	37,156	61	—	—
	(b)	9,357	22,471	—	—	—
Belfast Community Housing Association Ltd.	*(a)*	—	9,814	—	—	—
	(b)	3,113	14,279	—	—	—
Ben Madigan Housing Association	*(a)*	—	3,153	3,575	1,398	1,191
	(b)	—	715	98	1,123	—
Botanic Housing Association Ltd.	*(a)*	2,081	1,196	—	—	—
	(b)	—	—	—	—	—
Church of Ireland Housing Association (NI) Ltd.	*(a)*	—	—	4,206	—	—
	(b)	—	2,746	2,857	—	—
Clonard Housing Association Ltd.	*(a)*	—	4,734	4,459	4,174	4,007
	(b)	—	1,990	—	—	98
Connswater Housing Association Ltd.	*(a)*	—	20,293	6,921	—	—
	(b)	—	530	—	—	—
Covenanter Residential Association Ltd.	*(a)*	—	—	—	—	—
	(b)	—	1,109	—	—	—
Craigavon Housing Association Ltd.	*(a)*	—	342	—	—	—
	(b)	2,000	4,656	—	—	—
Derry Housing Association Ltd.	*(a)*	—	11,119	—	—	—
	(b)	—	—	—	—	—
Donacloney Housing Association Ltd.	*(a)*	—	1,175	—	—	—
	(b)	—	2,746	—	—	—
Dungannon and District Housing Association Ltd.	*(a)*	—	—	42,587	6,469	—
	(b)	—	—	—	156	—
Fold Housing Association	*(a)*	7,642	—	—	—	—
	(b)	18,190	—	10,302	—	—
Habinteg Housing Association (Ulster)	*(a)*	—	—	33	—	—
	(b)	—	11,680	12,043	—	—
Hearth Association	*(a)*	—	1,266	—	4,585	1,277
	(b)	—	21,095	28,293	11,299	7,539
James Butcher Housing Association	*(a)*	10,929	4,107	—	—	—
	(b)	8,250	—	—	—	—
Latherna Housing Association Ltd	*(a)*	—	651	4,263	4,128	356
	(b)	—	19,723	2,432	1,186	826
McGarel Housing Association Ltd	*(a)*	—	—	—	—	—
	(b)	—	—	241	—	—
Newington Housing Association (1975) Ltd.	*(a)*	—	2,242	6,321	—	
	(b)	—	10,903	—	2,122	—
Nih Housing Association Ltd	*(a)*	—	640	1,753	—	3,688
	(b)	—	90,600	—	—	8,901
Northern Ireland Co-Ownership Housing Association Ltd	*(a)*	61,304	—	—	1,090	—
	(b)	—	—	—	—	—
Open Door Housing Association (NI) Ltd	*(a)*	—	—	5,580	3,684	1,873
	(b)	2,873	—	17,548	8,079	11,853
Presbyterian Housing Association (NI) Ltd	*(a)*	13,139	8,604	3,153	—	—
	(b)	—	17,026	—	—	—
The Royal British Legion Housing Association (NI) Ltd	*(a)*	—	—	5,000	6,477	—
	(b)	—	—	57,366	—	—
Students Housing Association Co-operative	*(a)*	500	10,000	17,172	—	—

Housing Association		1980-81	1981-82	1982-83	1983-84	1984-85
St Matthews Housing Association Ltd	(b)	—	9,814	—	—	—
	(a)	—	3,253	9,220	13,984	—
Tennet Street District Housing Association Ltd	(b)	—	—	223	119	—
	(a)	—	2,175	5,790	7,623	—
Triangle Womans Housing Association Ltd	(b)	2,508	11,147	2,373	2,753	—
	(a)	—	1,026	—	—	—
Ulidia Housing Association Ltd	(b)	—	500	1,881	1,812	7,142
	(a)	—	9,507	5,079	—	—
Woodvale and Shankill Housing Association Ltd	(b)	5,118	4,771	1,150	—	—
	(a)	4,083	8,650	13,024	1,656	—
	(b)	2,798	—	—	—	—

(a) Revenue Deficit Grant (£)
(b) Contributions towards administrative and other expenses (£).

Mr. Beggs asked the Secretary of State for Northern Ireland if he will list the number of houses *(a)* built and *(b)* purchased and rehabilitated by each housing association.

Mr. Chris Patten: The numbers of units of accommodation as at 31 March 1985 are as follows:

Housing association	Units of accommodation Built	Purchased and rehabilitated
Abbeyfield (NI) Development Society Ltd.	11	10
Ballymacarrett Housing Association Ltd.	—	9
Ballynafeigh Housing Association Ltd.	9	68
Baptist Union of Ireland Housing Association Ltd.	—	—
Belfast Improved Houses Ltd.	81	394
Belfast Community Housing Association Ltd.	6	50
Ben Madigan Housing Association Ltd.	—	4
Botanic Housing Association Ltd.	—	30
Broadway Housing Association Ltd.	—	—
Church of Ireland Housing Association (NI) Ltd.	18	—
Clonard Housing Association Ltd.	—	15
Connswater Housing Association Ltd.	43	107
Coral Crescent Housing Association Ltd.	—	—
Covenanter Residential Association Ltd.	24	—
Craigavon and District Housing Association Ltd.	—	50
Craigowen Housing Association Ltd.	24	—
Derry Housing Association Ltd.	29	23
Donacloney Housing Association Ltd.	5	23
Dungannon and District Housing Association Ltd.	15	18
Fold Housing Association	772	—
Grove Housing Association Ltd.	18	143
Gosford Housing Association (Armagh) Ltd.	—	21
Habinteg Housing Association (Ulster) Ltd.	171	—
Hearth Association	—	23
James Butcher Housing Association (NI) Ltd.	531	8
Latharna Housing Association Ltd.	—	7
Lisnagarvey Housing Association Ltd.	19	—
Malone Housing Association Ltd.	12	—
Masonic Housing Association (NI) Ltd.	93	—
McGarel Housing Association Ltd.	21	—
Newington Housing Association (1975) Ltd.	—	108
Nih Housing Association Ltd.	109	38
North Belfast Mission Housing Society Ltd.	8	—
Open Door Housing Association (NI) Ltd.	—	20
Presbyterian Housing Association (NI) Ltd.	149	7
The Royal British Legion Housing Association (NI) Ltd.	243	—
Students Housing Association Co-op Ltd.	64	58
St. Matthews Housing Association Ltd.	22	50
Tennent Street District Housing Association Ltd.	11	1
Triangle Women's Housing Association Ltd.	—	21
Ulidia Housing Association Ltd.	—	47
Ulster Homemaker Ltd.	—	—
Willowfield Parish Church Housing Association Ltd.	—	27
Woodvale and Shankill Housing Association Ltd.	14	67
Total	2,522	1,447

Health Services

Mr. Hume asked the Secretary of State for Northern Ireland what representations he has received from the Down community about the proposals in the report by the Eastern Health and Social Services Board's joint review team, "Developing Hospital Services"; and if he will make a statement.

Mr. Chris Patten: Some 1,260 individuals and organisations have expressed disagreement with those recommendations relating to the Down district.

Mr. Hume asked the Secretary of State for Northern Ireland (1) if he will make a statement on current hospital provision in the Down district;

(2) if he will make a statement outlining all the options for future hospital provision in the Down district.

Mr. Chris Patten: The Eastern Health and Social Services Board is seeking to establish a pattern of hospital provision which will meet the needs of the people of its area now and in the years ahead and to this end it is considering the development of hospital services throughout its area including the Down district.

It would be inappropriate for me to comment further as this could inhibit the development of other options which may emerge in the course of the consultation that the board is undertaking.

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement on health service efficiency in Northern Ireland.

Mr. Chris Patten: Government in co-operation with the health and social services boards has been making consistent efforts in recent years to achieve greater efficiency in the use of resources. The boards have implemented efficiency savings over the last two years which have resulted in annual savings of around 0·5 per cent. of recurrent expenditure. These savings have been reinvested by boards in priority service areas.

In addition each board has now appointed a general manager who will be directly responsible for improving management performance. Government, too, will continue to be involved in the process of monitoring and improving efficiency through the use of economic and statistical analysis and through discussions with boards as part of the accountability review system.

The Department will also be assisting boards in a programme of specific efficiency scrutinies of aspects of the health and personal social services.

As a result of these initiatives significant improvements in management performance are being achieved but there is no room for complacency and I will continue to press boards to examine services rigorously to ensure maximum value for money.

White Papers and Government Reports

Mr. Sean Hughes asked the Secretary of State for Northern Ireland if he will list every White Paper and Government report produced in the United Kingdom concerning Northern Ireland since 1969.

Mr. Hurd: There have been several hundred such documents, and the information requested could only be obtained at disproportionate cost.

THE ARTS

European Music Day

Mr. Key asked the Parliamentary Under-Secretary of State answering in respect of the Arts what discussions the Minister for the Arts has had with local authorities about facilitating the celebration of European Music Day on Saturday 22 June; and if he will make a statement.

Mr. Waldegrave: Arrangements for European Music Year are in the hands of the European Music Year (UK) Committee, which, operating through the Arts Councils and the regional arts associations, has encouraged local authorities to give every facility for local events on 22 June.

Kelmscott House

Mr. Tony Banks asked the Parliamentary Under-Secretary of State answering in respect of the Arts when the Minister for the Arts expects to announce a decision on the Greater London council's compulsory purchase order on Kelmscott house.

Mr. Waldegrave [*pursuant to his reply*, 19 April 1985, c.*299*]: My right hon. and noble Friend the Minister for the Arts has decided not to confirm the Greater London council's compulsory purchase order on Kelmscott house, Hammersmith.

NATIONAL FINANCE

Customs Officers

40. **Mr. Speed** asked the Chancellor of the Exchequer if he will list the numbers of customs officers available for the interception and detection of drugs at Heathrow, Gatwick, Dover and Harwich, respectively, at the present time and for the same period in 1984, 1979 and 1974.

Mr. Hayhoe: Customs staff are responsible for carrying out a variety of tasks, including collection of revenue and enforcement of prohibitions and restrictions. These tasks often overlap. It is not therefore possible to list the numbers of staff available for drug detection duties at any particular time.

Petrol (Lead Content)

Mr. Woodcock asked the Chancellor of the Exchequer if he will estimate the annual net increase in tax revenue at present levels of taxation which will result from increases in consumption arising from the decision to reduce the maximum lead content of petrol from 0·4 grammes per litre to 0·15 grammes per litre, in the fiscal years ending *(a)* April 1987, *(b)* April 1988 and *(c)* April 1989.

Mr. Hayhoe: I am advised that a reduction of the maximum lead content to 0·15 grammes per litre will not result in a change in the present octane ratings and will not therefore lead to an increase in the consumption of petrol. There will therefore be no revenue effects.

EC Directives

Mr. Foulkes asked the Chancellor of the Exchequer if he will list in the *Official Report* the details of each directive from the EEC since 1979 relevant to his Department; and what action he has taken in each case.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

Agricultural Land

Mr. Austin Mitchell asked the Chancellor of the Exchequer what is his estimate of the amount of revenue forgone in 1984-85, both before and after corporation and income taxes, in consequence of the rating exemptions and reliefs on agricultural land.

Mr. Moore [*pursuant to his reply*, 24 April 1985, c. *481*]: The available information relates to the total of agricultural land and buildings. For an estimate of the yield of rates on agricultural land and buildings, I refer the hon. Member to the answer given by my right hon. Friend the Secretary of State for the Environment on 22 March at column *637*. I regret that I have no precise information on the extent to which the derating of agricultural land and buildings, by reducing business expenses, raises the taxable profits of farming enterprises and the yield from

corporation and income taxes. However, in the case of most farmers the marginal rate of income tax is the basic rate of 30 per cent.

Johnson Matthey Bankers

Mr. Blair asked the Chancellor of the Exchequer (1) if, pursuant to the answer of the Economic Secretary on 25 April, *Official Report*, column 974, he will list the lending of Johnson Matthey which was there described as extremely unwise and imprudent lending; and if he will make a statement;

(2) whether the inquiries by the Bank of England into Johnson Matthey Bankers have revealed departures from normal prudent banking practice;

(3) whether the review of the arrangements for banking supervision will comment on the justification of the Bank of England's takeover of Johnson Matthey Bankers; and if he will make a statement;

(4) whether the review of banking supervision will deal with the monitoring by the Bank of England's Banking Supervision Department of Johnson Matthey prior to its collapse and the steps it took prior to the collapse to identify and seek to correct Johnson Matthey Bankers' difficulties.

Mr. Ian Stewart: I will let the hon. Member have a reply as soon as possible.

Assets Sales

Mr. Maude asked the Chancellor of the Exchequer if he will make a statement about his plans for the special sales of assets programme.

Mr. Lawson: It is the Government's policy to sell its minority holdings in privatised companies as and when circumstances permit. As part of this policy, I now intend to offer for sale later this year the whole of the Government's 48·8 per cent. holding in Britoil, apart from those shares needed to pay the small shareholder bonus.

Written Answers to Questions

Friday 3 May 1985

SCOTLAND

Teachers (Dispute)

Mr. Strang asked the Secretary of State for Scotland how many schools in Scotland have been affected by the teachers' current withdrawal of labour.

Mr. Allan Stewart: So far this term, 432 secondary schools were affected on 24 April, and 284 primary schools in the week beginning 29 April.

Mingary-Tobermory Ferry

Mr. Johnston asked the Secretary of State for Scotland when he expects to announce his decision on the Mingary-Tobermory ferry.

Mr. Ancram: Today.

Broadleaved Woodland

Mr. Ron Davies asked the Secretary of State for Scotland, pursuant to his answer of 25 April 1985, *Official Report*, column *532*, concerning broadleaved woodland licensed for clearfelling for conversion of the land to agriculture, if he will give the exact location of those woodlands so felled on Cwm Mosydd farm, Gwent.

Mr. John McKay: I shall reply to the hon. Member as soon as possible.

OVERSEAS DEVELOPMENT

Famine Relief

Mr. Bowen Wells asked the Secretary of State for Foreign and Commonwealth Affairs how many tons of cereal and other foodstuffs approved at the Dublin summit of European Economic Community Ministers were delivered in each of the last eight weeks to the principal ports of Ethiopia and Port Sudan.

Mr. Raison: Information on action by the Community and the individual member states is not available in this detail. Figures for the distribution of food aid in each of the last two months from the amounts committed at the European Council in Dublin were given to my hon. Friend on 22 April, at column *364*, by my hon. Friend the Member for Shoreham (Mr. Luce).

HOUSE OF COMMONS

Parliamentary Questions

Mr. George asked the Lord Privy Seal how many parliamentary questions, written and oral, have been tabled to the Secretary of State for Defence over each of the last three Sessions.

Mr. Biffen: The information requested is as follows:

	Number
1981-82	1,754
1982-83	1,578
1983-84	2,422

These figures do not include questions originally tabled to Defence and later transferred to another Department and similarly any questions which were tabled and subsequently withdrawn.

European Community

Mr. Deakins asked the Lord Privy Seal in what form he anticipates that the House of Commons will be asked to give its opinion on the new EEC own resources decision, the EEC intergovernmental agreement on the 1985 budget and the accession of Spain and Portugal; and, if in each case, he will undertake to ensure adequate time for debate.

Mr. Biffen: Final decisions on the form of consideration by the House of Commons of these subjects have not yet been taken, but I can assure the hon. Member that adequate time for debate will be given.

PAYMASTER-GENERAL

Departmental Committees of Inquiry

Mr. Eggar asked the Paymaster-General how many departmental committees of inquiry he and his predecessors have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Gummer: Neither I nor any of my predecessors since the date specified have commissioned any departmental committee of inquiry.

PRIME MINISTER

Prime Minister of Canada

Mr. Parry asked the Prime Minister if she will make a statement on her recent meeting with the Prime Minister of Canada.

The Prime Minister: I was delighted to welcome Mr. Mulroney on his first visit to London as Prime Minister of Canada. As partners in the Commonwealth and NATO we share many common interests. We had most friendly and useful talks on the Bonn summit and other international issues.

Widdicombe Inquiry

Mr. Greenway asked the Prime Minister whether she will publish the evidence given to the Widdicombe inquiry on the conventions governing the use of public funds for central Government publicity.

The Prime Minister: A note on the conventions which successive Governments have applied to their publicity and advertising has been sent to the committee. A copy has been placed in the Library of the House.

HOME DEPARTMENT

Metropolitan Police (Marksmen)

Mr. Cohen asked the Secretary of State for the Home Department if he will call for a report from the Commissioner as to why Metropolitan police marksmen have military style uniforms.

Mr. Giles Shaw: Metropolitan police officers who are authorised to carry firearms normally wear standard police clothing or plain clothes when doing so. But when firearms instructors are deployed to the sceme of an incident they wear berets because that is the most suitable headgear if rifles have to be carried. On very rare occasions the firearms instructors may have to be deployed urgently while still wearing their firearms range clothing, which consists of plain nylon overalls clearly marked with police identification numerals.

Women Prisoners (Self-mutilation)

Mr. Cohen asked the Secretary of State for the Home Department if he will institute an urgent inquiry into the reasons for the current incidence of self-mutilation by women prisoners and the means by which it can be reduced; and if he will make a statement.

Mr. Mellor: My right hon. and learned Friend has no plans to set up such an inquiry. The incidence of self-injury by prisoners and the means by which it can be reduced are kept under constant review.

Television Licences

Mr. Freeman asked the Secretary of State for the Home Department if he has any plans to raise the £1.25 allowance on television licences for families which include at least one registered blind person.

Mr. Giles Shaw: We have no plans to do so.

Mr. Sumberg asked the Secretary of State for the Home Department (1) if he will indicate the number of prosecutions and convictions in Greater Manchester county for the last three years for which records are available in respect of offences by people failing to pay for their television licences;

(2) if he will indicate the number of prosecutions and convictions in Merseyside metropolitan county for the last three years for which records are available in respect of offences by people failing to pay for their television licences;

(3) if he will indicate the number of prosecutions and convictions in Tyne and Wear metropolitan county for the last three years for which records are available in respect of offences by people failing to pay for their television licences;

(4) if he will indicate the number of prosecutions and convictions in the West Midlands metropolitan county for the last three years for which records are available in respect of offences by people failing to pay for their television licences;

(5) if he will indicate the number of prosecutions and convictions in the West Yorkshire metropolitan county for the last three years for which records are available in respect of offences by people failing to pay for their television licences;

(6) if he will indicate the number of prosecutions and convictions in the Greater London area for the last three years for which records are available in respect of offences by people failing to pay for their television licences.

Mr. Giles Shaw: Prosecutions initiated in these areas and the convictions resulting from them in the last three years were as follows:

	1982		*1983*		*1984*	
	Prosecutions	*Convictions*	*Prosecutions*	*Convictions*	*Prosecutions*	*Convictions*
Greater Manchester	5,147	5,135	5,671	5,666	6,933	6,931
Merseyside	2,617	2,611	3,072	3,058	2,540	2,529
Tyne & Wear	1,465	1,463	1,804	1,799	2,367	2,367
West Midlands	3,456	3,451	5,001	4,992	7,953	7,936
West Yorkshire	3,600	3,595	3,054	3,052	4,266	4,262
Greater London	7,698	7,635	7,635	7,600	8,518	8,466

Television Detector Vans

Mr. Sumber asked the Secretary of State for the Home Department how many detector vans are used by the Post Office for the purpose of detecting those people who have not paid for their television licences.

Mr. Giles Shaw: Twenty-two.

ENERGY

Market Research

Mr. Coombs asked the Secretary of State for Energy what use is made of market research by his Department; and if he will make a statement.

Mr. Peter Walker: Market research plays an important role in the workings of the Department particularly in respect of information and publicity for energy efficiency office campaigns.

Extensive use is made of research into attitudes and awareness in the domestic market sector and is an integral feature of our work in the industrial and commercial sector.

Fuel Costs

Mr. Frank Field asked the Secretary of State for Energy if, pursuant to the answer of 15 April, *Official Report*, column 30, he will provide the same information relating to comparative international energy prices on a single unit basis, such as pence per therm, for all the fuels concerned.

Mr. Buchanan-Smith: The information requested which relates to the third quarter of 1984, is as follows:

	Average revenue from sales of gas to households in pence per therm	Average revenue from sales of electricity to households in pence per therm	Average price of petrol in pence per therm	Average revenue from sales of gas to industry in pence per therm	Average revenue from sales of electricity to industry in pence per therm*†	Average price of heavy fuel oil to industry in pence per therm
France	‡(63·8)	‡(174·08)	136·61	‡(29·7)	‡(78·84)	35·54
Germany	‡(55·7)	186·98	110·34	‡(31·4)	104·33	35·22
Japan	‡(106·9)	‡(242·66)	140·10	‡(75·5)	‡(184·05)	38·30
United Kingdom	46·5	156·79	123·17	26·3	78·84	38·25
United States of America	46·2	¶180·24	74·75	¶30·6	¶117·81	35·38

* It should be borne in mind when interpreting these figures that industrial electricity prices generally vary according to time of year, because of the seasonal element present in most industrial tariffs. Hence a different picture might be obtained for a different time of year, depending on how the seasonal components in the individual country tariffs operated.

† Date from alternative sources produces a different picture. For example, Electricity Council figures, converted to therms, show that as at 1 August 1984 for industrial consumers with an annual maximum demand of 2,500 kw at 40 per cent. load factor, average prices paid were:

	p/therm
France	97·30
Germany	126·02—157·97
Japan	170·27—185·51
United Kingdom	106·09—116·64
United States of America	166·76—311·83

‡ Average for 1983.

‖ As of 1983 original ex-tax prices paid by industry and households are no longer available for France and the figures are based upon OECD estimates.

¶ Prices exclude taxes, which are levied by the states and which vary between 2 and 6 per cent.

Note:

(1) It should be borne in mind that the calorific values of the fuels vary from country to country, United Kingdom conversion factors have been used for all the above.

(2) International comparisons of energy prices are difficult to construct because of incompatibilities in the basic data. They require careful interpretation because of movements in exchange rates and variation in the timing of tariff revisions between countries. The above figures are based on exchange rates prevailing for the year 1983 and the third quarter 1984 as appropriate.

(3) The prices shown above for gas and electricity are based on average revenue per unit consumed. In general this will differ from the price derived for a given level of annual consumption.

(4) It should be noted that thermal efficiency varies according to fuel. The above figures take no account of this variation.

Mr. Frank Field asked the Secretary of State for Energy, if, pursuant to the answer of 26 March, *Official Report*, column 108, he will provide the same information relating to domestic fuel prices on a single unit basis, such as pence per therm, for all the fuels concerned.

Mr. Buchanan-Smith: The information requested is given in the table:

	May 1979	April 1983	May 1984	January 1985
Average price of gas (including standing charge) to domestic credit meter consumers in Great Britain using 400 therms per annum. Pence per therm	17·9	43·0	44·7	44·7
Average price of electricity (including standing charge) to consumers in England and Wales on the standard domestic tariff using 3,300kwh per annum. Pence per therm	93·52	173·62	176·63	176·63
Average price of standard grade burning oil. Pence per therm	28·42	62·59	53·83	61·22

It should be noted that thermal efficiency varies according to fuel. The figures take no account of this variation.

Mr. Frank Field asked the Secretary of State for Energy, if, pursuant to the answer of 18 March, *Official Report*, column 400, he will provide the same information relating to comparative international energy costs on a single unit basis, such as pence per therm, for all the fuels concerned.

Mr. Buchanan-Smith: The information requested is given in the table:

	Average revenue from sales of gas to households in pence per therm		Average revenue from sales of electricity to households in pence per therm		Average price of light heating oil to households in pence per therm	
	1979 Quarter 2	1984 Quarter 2	1979 Quarter 2	1984 Quarter 2	1979 Quarter 2	1984 Quarter 2
Canada	10·3	29·0	* (36·34)	na	16·15	55·61
France	*(38·0)	‡(63·8)	*(130·12)	‡(172·91)	31·51	67·62
Germany	*(32·8)	†(55·6)	130·42	184·93	35·75	57·44
Italy	27·6	54·2	72·10	na	25·95	77·80
Netherlands	‖ (21·0)	45·7	*(132·18)	‡(186·39)	30·71	62·92
Norway	† —	† —	43·08	84·11	28·86	68·67
United Kingdom	18·7	41·4	82·06	149·47	27·01	58·22
United States of America	14·2	41·7	63·60	153·57	22·24	59·53

* Average for 1979
† No consumption
‡ Average for 1983
‖ See Note (i) below

Notes:

(i) Except for gas prices in the Netherlands (which relate to an annual consumption of 3,000 cu. metres) the prices shown above for gas and electricity are based on average revenue per unit consumed. In general this will differ from the price derived for a given level of annual consumption.

(ii) It should be borne in mind that the calorific values of the fuels vary from country to country. United Kingdom conversion factors have been used for all the above.

(iii) International comparisons of energy prices are difficult to construct because of incompatibilities in the basic data. They require careful interpretation because of movements in exchange rates and variation in the timing of tariff revisions between countries. The above figures are based on exchange rates prevailing in the second quarters of 1979 and 1984 respectively.

(iv) It should be noted that thermal efficiency varies according to fuel. The above figures take no account of this variation.

na = not available.

EMPLOYMENT

Wages

Ms. Clare Short asked the Secretary of State for Employment what is the percentage of employers' costs attributable to wages in the United Kingdom, the United States of America, Japan and the Federal Republic of Germany, respectively.

Mr. Peter Bottomley: Information is available, on a consistent basis for different countries, only in respect of wages as a proportion of employers' labour costs in production industries and in some services in member states of the European Communities. The latest results relate to 1981 and are shown in tables 201A and 207 of "Labour Costs, Volume 1: Principal Results," published by Eurostat, a copy of which is available in the Library.

Labour Statistics

Mr. Pawsey asked the Secretary of State for Employment if he will arrange for the monthly unemployment statistics in future to incorporate a breakdown according to *(a)* the age, *(b)* the sex, *(c)* the educational and other qualifications and *(d)* the previous trade or profession, of each unemployed person; and if he will arrange for such information to be made available on a regional and travel-to-work area basis.

Mr. Alan Clark: The monthly unemployment statistics are already available analysed by sex, for regions and local areas, including travel-to-work areas. More detailed figures by age and duration are also available quarterly, and the full range of analysis will shortly be available for the travel-to-work areas and other areas defined in terms of wards. The records on which the unemployment count is based do not include details of qualifications or previous trades or professions because these are not needed for the purposes of administering benefits, and we have no plans to provide such an extension of the statistics. The labour force survey collects information about the qualifications, previous occupation and previous industry of people who are not working and are looking for work, but the sample size is too small to provide estimates at local level.

NATIONAL FINANCE

"International Financial Statistics Yearbook"

Mr. Gould asked the Chancellor of the Exchequer what are the other transactions referred to in line 84 ag in the United Kingdom section of the International Financial Statistics Yearbook for 1983; and if he will provide a breakdown on this basis for each year since 1977.

Mr. Ian Stewart' The information is as follows:

International Financial Statistics Yearbook: United Kingdom other transactions (net) (line 84 ag) analysed by component

	1977	1978	1979	1980	1981	1982	1983	1984
Northern Ireland Central Government Debt	17	38	−1	6	41	19	12	9
Other non-marketable Debt	−3	11	−82	28	−181	−168	215	−338

	1977	1978	1979	1980	1981	1982	1983	1984
Cost of Exchange cover Scheme on Repayment of Principal	−17	−99	−148	7	61	−68	−88	−290
Commercial Bills; Issue Department of the Bank of England	304	12	−12	−403	−2,559	−4,714	725	−3,062
Government Guaranteed Stock (Redemptions)	100	14	540	30	0	0	0	0
Local Authority Debt	438	−286	−338	262	174	−19	−26	75
Public Corporation Debt	0	0	0	0	−42	31	−32	−29
Total	839	−310	−41	−70	−2,506	−4,919	806	−3,635

These figures include the latest revisions. The component series can be seen in *Financial Statistics* tables 3.4 and 3.4 (continued). A detailed description of the series is given in the notes on these tables in the Financial Statistics Explanatory Handbook.

Premium Bond Sales

Mr. Nicholas Winterton asked the Chancellor of the Exchequer what is his policy concerning the sale of premium bonds abroad.

Mr. Ian Stewart: United Kingdom law permits the purchase of premium bonds by people living abroad. If residents of other countries buy premium bonds, this may not be permitted by local laws. So national savings suggests that people resident abroad should check this. National savings does not accept purchase applications from residents of countries where it is known such laws exist.

Mr. Nicholas Winterton asked the Chancellor of the Exchequer what has been the total revenue from the sale of premium bonds in each of the last 10 years for which figures are available; and how much of this revenue was generated by sales of premium bonds abroad in each of those years.

Mr. Ian Stewart: Sales of premium bonds have been as follows:

Year	£ million
1975	131·61
1976	149·03
1977	149·92
1978	190·62
1979	133·35
1980	160·02
1981	149·96
1982	159·62
1983	192·62
1984	206·70
Total	1,623·45

In the same period repayments totalled £929·71 million so the net amount received was £693·74 million.

Sales to people abroad are not recorded separately, but estimates suggest that they form a very small proportion.

Pensions

Mr. Meacher asked the Chancellor of the Exchequer what has been the level of tax reliefs paid each year since 1970 (i) to employees contributing to private pension schemes, (ii) to employers' running private pension schemes, (iii) to pension funds on their investments and (iv) to employees in lump sum reliefs on retirement; and if he will estimate by how much each of these would be increased in each of the next five years if the state earnings related scheme were abolished.

Mr. Moore: Readily available estimates of the direct revenue costs of the reliefs relate to 1984-85 and are as follows:

Relief in respect of:	*Direct revenue cost in full year (£ million) 1984-85*
Employees' contributions to occupational pension schemes allowed as a deduction for income tax purposes	1,250
Employers' contributions to occupational pension schemes allowed as a charge against profits for corporation tax purposes	*1,600
Investment income of occupational pension funds (assuming relief at the basic rate)	2,500
Lump sum payments to pensioners (assuming relief at the basic rate)	900

* This estimate is particularly tentative.

The effect on tax reliefs of abolition of the state earnings-related pension scheme would depend on the assumptions made about any consequential changes in the numbers of contributions made to pension schemes and in their level.

Commemorative Coins

Lord James Douglas-Hamilton asked the Chancellor of the Exchequer if Her Majesty's Government have plans to issue any new commemorative coins.

Mr. Lawson: Her Majesty the Queen has been graciously pleased to approve the Master of the Mint's recommendation that a special £2 piece be issued to commemorate the Commonwealth Games in Edinburgh in 1986. There will be a normal version of the coin issued at face value, and collectors' versions, in precious metals and base metals, issued at a premium.

Johnson Matthey Bankers

Mr. Blair asked the Chancellor of the Exchequer whether the inquiries by the Bank of England into Johnson Matthey Bankers have revealed departures from normal prudent banking practice.

Mr. Ian Stewart [*pursuant to his reply*, 2 May 1985; c. *246*]: I refer the hon. Member to the answer I gave to the hon. Member for Workington (Mr. Campbell-Savours)

on 25 April, at column 974. The Governor of the Bank of England has made clear that the difficulties of the bank arose from its commercial lending operations.

ENVIRONMENT

Royal Docks (STOLport)

Sir Geoffrey Finsberg asked the Secretary of State for the Environment if his Department has evaluated the effect of the development of a STOLport in the royal docks area on the willingness of foreign investors to establish businesses in the area.

Sir George Young: I shall answer this question shortly.

Conservation

Dr. Cunningham asked the Secretary of State for the Environment (1) when he received the request from the Nature Conservancy Council for a section 29 conservation order to be applied on land within Ferry Ford Farm, Staffordshire; and when he expects to sign the order;

(2) when he expects to list as a European Commission birds directive special protection area and Ramsar convention site the following estuaries *(a)* Morecambe Bay, *(b)* River Orwell, Suffolk and *(c)* the Wash.

Mr. Patrick Jenkin: I shall answer these questions shortly.

London Lesbian and Gay Centre

Mr. Martin Stevens asked the Secretary of State for the Environment when he will announce his decision on the grant application made on behalf of the London Lesbian and Gay Centre in Smithfield EC1.

Mr. Kenneth Baker *[pursuant to his reply,* 26 April 1985, *c. 578]*: After the most careful consideration, we have decided that consent should be refused to the application by the Greater London council for consent to expenditure of over £100,000 under section 137 of the Local Government Act 1972 to meet the salary costs in 1985-86 of the centre's staff, who would collectively manage the centre. The formal decision of the Secretary of State has been communicated to the council today.

In reaching this decision, I have not sought to judge whether the centre, which has been provided at considerable public expense, is necessary or justifiable. Neither would I wish to comment on whether the intended users of what is predominantly a social and recreational centre constitute a group of the population who suffer social discrimination. Instead, in considering whether the proposed expenditure would be expedient, the question has to be asked whether it is right for the recurrent annual operating costs of £115,000, together with the full annual salary costs of £119,207, to be met predominantly by ratepayers, in comparison with anticipated but unsubstantiated direct income from users of £90,865. If there is indeed a demand for social and recreational facilities of this kind, I question whether it would not be reasonable to expect the operating costs to be met by the intended users, when there is no evidence that they constitue an economically deprived group of the population. These questions do not appear to have been addressed in any depth by the council.

As at 30 April, 120 applications for specific consent had been received from the GLC and consent had been given to 110. The following proposals are still receiving careful and urgent consideration.

	£
Interrights Ltd.	16,296
Women's Peace Bus	41,363
Spare Rib	73,604
Searchlight	22,470
Royal Town Planning Institute	45,000
London Community Projects Design Service	34,942
Phoenix Taxis Ltd.	26,000
Palingswick House	24,625
Lewisham Women's Training Workshop	45,925

FOREIGN AND COMMONWEALTH AFFAIRS

Non-proliferation Treaty

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what information is available to Her Majesty's Government regarding the outcome of meetings between the United States and the Union of Soviet Socialist Republics officials on the non-proliferation treaty in Helsinki between 15 and 19 April: and if consultations took place with Her Majesty's Government before this meeting.

Mr. Renton: Details of talks between the United States of America and the Union of Soviet Socialist Republics are a matter for the Governments concerned.

We ourselves hold regular consultations with the United States of America and the Union of Soviet Socialist Republics about nuclear non-proliferation.

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's execution of their obligations and duties as a depository power under the non-proliferation treaty.

Mr. Renton: As required by article IX(5) of the treaty, we have promptly informed all signatory and acceding states of the date of each signature, the date of deposit of each instrument of ratification or accession, and the date of the treaty's entry into force. As required by article IX(6), we registered the treaty pursuant to article 102 of the United Nations Charter. We have also played a full part in setting up the third non-proliferation treaty review conference to be held in Geneva in September 1985.

Mr. Raoul Wallenberg

Mr. Campbell asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the *Official Report* as much information as is in his possession about Mr. Raoul Wallenberg; when was the last time he made representations to the Government of the Union of the Soviet Socialist Republics about him; if he has any plans to make representations in the future; and if he will make a statement.

Mr. Renton: We have no firm evidence of what happened to Mr. Wallenberg, a Swedish diplomat, after his arrest by Soviet troops in Budapest in 1945. In 1957, Mr. Gromyko, the Soviet Deputy Foreign Minister, stated that Mr. Wallenberg had died in prison in the Soviet Union

in 1947. There have, however, been a number of reports since then from former inmates of Soviet prisons suggesting that Mr. Wallenberg is still alive.

We have raised the case of Raoul Wallenberg with the Soviet authorities on several occasions in the past. My hon. Friend the Member for Edinburgh, Pentlands (Mr. Rifkind) last did so when he met the Soviet Deputy Foreign Minister, Mr. Kornienko, in March 1984. While decisions to press for more information from the Soviet Union are in the first instance from the Swedish Government, we remain ready to assist them in efforts to establish with greater certainty what has happened to Mr. Wallenberg.

Chemical Weapons

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs what indications were given to the United States Commission touring Europe recently regarding British attitudes in the event of the production by the United States of America of new chemical weapons; and if he will make a statement.

Mr. Stanley: I have been asked to reply.

As a major ally of the United States and in view of the United Kingdom's leading role in the negotiations on a comprehensive chemical weapon ban at Geneva, the British Government were approached for their view by the United States presidential chemical warfare review commission. In their response, the British Government expressed concern about the chemical warfare threat from the Warsaw pact. They also emphasised their view that the Alliance should continue as its first priority to work urgently, in the current negotiations at Geneva, for a total and verifiable ban on all aspects of chemical warfare. They noted that United States moves towards modernisation would underline to the Russians the benefits of reaching early agreement on a total ban. In addition, the British Government underlined the need to uphold NATO's deterrent strategy of flexible response.

Nerve Gas Bombs

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs what indications were given to the United States commission touring Europe recently regarding British attitudes towards the storage in the United Kingdom of United States nerve gas bombs; and if he will make a statement.

Mr. Stanley: I have been asked reply.
None.

DEFENCE

Radio Emissions

Mr. Hume asked the Secretary of State for Defence if he will indicate the purpose, nature and quality of radio emissions from the radar station at Bishopscourt, County Down; and if he will make a statement about their effect on public health.

Mr. Lee: The radar station at Bishopscourt, County Down, forms part of the United Kingdom air defence ground environment (UKADGE) network. The radars are sited in accordance with approved safety criteria and there is no hazard to public health.

RAF Bishopscourt

Mr. Hume asked the Secretary of State for Defence if he will make a statement describing the development currently taking place at RAF Bishopscourt.

Mr. Lee: The development currently taking place at RAF Bishopscourt is part of the improved United Kingdom air defence ground environment (IUKADGE) network development. Bishopscourt is one of a number of radar reporting posts in this network. The latest improvements are based on assessments of requirements up to the end of the century.

Mr. Hume asked the Secretary of State for Defence what is the purpose of the recent excavations and earth removals at RAF Bishopscourt.

Mr. Lee: I refer the hon. Member to the other answers I am giving on this subject. The actual excavation and earth removals referred to form the foundation works to the main reporting post, transmitter and receiver buildings.

Mr. Hume asked the Secretary of State for Defence what is the purpose of the runway-type approach leading to a large excavation at RAF Bishopscourt.

Mr. Lee: The runway-type approach adjacent to the excavation work at Bishopscourt is one of the station's main runways and has been in existence since 1942. It has no connection with the current IUKADGE development.

Mr. Hume asked the Secretary of State for Defence what representations he has received from the community near Bishopscourt and their local representatives about the developments taking place at the Royal Air Force installations.

Mr. Lee: None.

Mr. Hume asked the Secretary of State for Defence if he will permit a visit to RAF Bishopscourt, including the development site, by local elected representatives.

Mr. Lee: There is no objection in principle to such a visit although security considerations would limit its scope.

Mr. Hume asked the Secretary of State for Defence if he will provide Down district council with an aerial or satellite photograph of RAF Bishopscourt showing the recent development and excavations.

Mr. Lee: No.

Frigates and Destroyers

Mr. Speed asked the Secretary of State for Defence if he will list in chronological order the frigates and destroyers disposed of since 5 May 1979 including loss by enemy action.

Mr. Lee: Destroyers and frigates are disposed of in a number of ways when no longer needed. They can be sold to foreign navies, sold for scrap or sunk as targets. Ships can also, of course, be lost in action.

Destroyers and frigates finally disposed of since 5 May 1979 are as follows:

	Destroyers	*Frigates*
1979 (from 5 May)	Caprice Matapan	

	Destroyers	Frigates
1980		Ulster
1981	Diamond	Chichester
	Hampshire	Rapid
1982	Coventry	Antelope
	London	Ardent
	Norfolk	Bacchante
	Sheffield	Dundas
		Grenville
		Lynx
		Mohawk
		Paltiser
1983		Dido
		Hardy
		Lincoln
1984	Antrim	Ghurka
	Devonshire	Tartar
		Zulu
1985 (up to 30 April)		Duncan

A number had already been withdrawn from active service with the Fleet before that date and were being used for other duties before their final disposal.

Mr. Speed asked the Secretary of State for Defence if he will list in chronological order the frigates and destroyers ordered since 5 May 1979, listing the date of ordering and the date of commissioning where applicable.

Mr Lee: Details of frigates ordered since 5 May 1979 are as follows. No destroyers have been ordered during this period.

Vessel	Date of Order
Broadsword Class Frigate (Type 22)	
HMS Brave*	27 August 1981
HMS London	23 February 1982
HMS Sheffield	14 December 1982
HMS Coventry	14 December 1982
HMS Cornwall	14 December 1982
HMS Cumberland	14 December 1982
Duke Class Frigate (Type 23)	
HMS Norfolk	29 October 1984
Broadsword Class Frigate (Type 22)	
T22–13	29 January 1985
T22–14	29 January 1985

* Denotes expected to be accepted from the shipbuilder during 1985.

It is not the practice to give planned acceptance dates.

RAF Trainer Aircraft

Mr. McKelvey asked the Secretary of State for Defence under which circumstances the contract for the replacement trainer aircraft for the Royal Air Force recently awarded to Shorts is revokable.

Mr. Butler: The contract contains various provisions under which it could be determined by the Ministry.

Mr. McNamara asked the Secretary of State for Defence (1) whether, subsequent to the receipt of Shorts' bid for the Royal Air Force air basic trainer on 14 March, any member of his Department requested Shorts to make a revised offer:

(2) whether he will state the rank and post held of the member of the Procurement Executive who telephoned British Aerospace on 13 March to inform it of the deadline date for tender for the new basic trainer for the Royal Air Force; to whom he spoke; and if the call was logged by his Department;

(3) why, on 15 March, the controller of aircraft of his Department's Procurement Executive requested a revised bid from British Aerospace for the new basic trainer for the Royal Air Force.

Mr. Butler: I shall reply shortly.

Royal Navy

Mr. Hancock asked the Secretary of State for Defence how many ratings and officers left the Royal Navy in each of the years 1979, 1980, 1981, 1982, 1983 and 1984 by rank.

Mr. Lee: The information which is available only by financial year, not calendar year, is as follows:

	1979-80	1980-81	1981-82	1982-83	1983-84
Officers					
Rear Admiral and above	10	14	15	15	19
Captain	33	30	34	47	51
Commander	70	66	64	105	151
Lt Commander	180	128	148	214	246
Lieutenant	226	144	142	152	154
Sub-Lieutenant and below	184	180	221	207	164
Ratings					
Fleet Chief Petty Officer	142	96	93	91	88
Chief Petty Officer	940	742	664	732	850
Petty Officer	658	503	375	436	435
Leading Rate	1,502	1,089	742	457	510
Able Rate and below	4,364	3,566	2,623	1,619	1,835

Contracts (Tendering)

Mr. McNamara asked the Secretary of State for Defence on how many occasions in the past the Procurement Executive has telephoned tenderers for his Department's contracts on contracts worth more than £100 million giving the deadline date for tendering; whether this is the normal procedure within his Department; and on how many occasions such a telephone call has been confirmed by letter, telex or other written communication.

Mr. Butler: I shall answer shortly.

Defence School of Music

Mr. Hancock asked the Secretary of State for Defence if he will publish the costings produced by his Department prior to the decision to site the defence school of music at Deal.

Mr. Lee: No. To do so would prejudice both competitive tendering for the building contract and bidding by contract and bidding by potential buyers.

NORTHERN IRELAND

Asbestos

Mr. Frank Field asked the Secretary of State for Northern Ireland how many licences have been issued in Northern Ireland by the Health and Safety Agency to contractors since August 1984 in respect of authorised asbestos removal; and how many prosecutions have been commenced and completed for breaches of the asbestos removal regulations in Northern Ireland before and after 1 August 1984.

Dr. Boyson: Under the provisions of the Asbestos (Licensing) Regulations (Northern Ireland) 1984, the Department of Economic Development issues licences to contractors who undertake any work with asbestos insulation or asbestos coating. Since the commencement of these regulations on 1 August 1984, 14 licences have been granted. Three prosecutions are pending in relation to the regulations.

Magilligan Prison

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland if he is considering the closure of Magilligan prison.

Mr. Scott: This is one of a number of options which will need to be considered for when Her Majesty's prison Maghaberry is opened.

HM Prison, Armagh

Mr. McNamara asked the Secretary of State for Northern Ireland whether, pursuant to his replies of 19 March, *Official Report*, columns *434-5* and 19 April, *Official Report*, column *282*, to the hon. Member for Kingston upon Hull, North, he will break down the other reasons for conducting of strip searches upon female prisoners in Her Majesty's prison, Armagh, to distinguish between first admission and final discharge, bail court appearance, indicating which court, attendance at other remand courts, indicating which courts, appeal court hearings, outside hospital visits, pre-release programmes and employment interviews, for the monthly periods before March from the commencement of strip searches at Her Majesty's prison, Armagh.

Mr. Scott: The information requested is available only from 1 June 1984 and is as follows:

	1984							*1985*		
	June	*July*	*August*	*September*	*October*	*November*	*December*	*January*	*February*	*March*
First admission on remand and awaiting trial—sentence	8	2	2	3	7	3	1	6	8	9
First admission on sentence, and final discharge	9	10	14	3	5	16	13	23	23	24
Attending Armagh Remand Court	2	5	2	2	2	2	1	2	1	—
Attending Belfast Remand Court	—	—	—	—	—	—	—	—	1	—
Attending Lisburn Remand Court	—	—	—	1	—	—	—	—	—	—
Attending Dowpatrick Remand Court	—	—	—	1	—	—	—	—	—	—
Attending Omagh Remand Court	—	—	—	—	—	1	—	—	—	—
Attending Trial	1	—	—	—	—	1	—	—	1	1
Bail Court Appearances at Belfast High Court	11	2	2	2	5	4	5	2	8	6
Appeal Court Appearances	1	1	—	—	—	—	—	1	—	—
Inter Prison Visits	—	—	4	—	2	4	—	2	2	—
Outside Hospital Visits	—	—	—	—	2	—	—	—	2	—
Pre-Release Programme	—	—	—	—	—	—	—	—	2	8
Home Leave Scheme	6	5	4	1	5	2	18	—	2	11
Employment Interview	—	—	—	—	2	—	—	—	—	—
Totals	38	25	28	13	30	33	38	36	50	59

Tourist Industry

Mr. Parry asked the Secretary of State for Northern Ireland what is his estimate of the financial contribution of the tourist industry to the Northern Ireland economy in each of the last three years.

Dr. Boyson: The information requested is as follows:

	1981 *£ million*	*1982* *£ million*	*1983* *£ million*
Staying Visitors	42·3	48·0	72·2
Day Excursionists	17·8	20·0	120·0
Home Holidaymakers	18·5	16·8	33·4
Total	78·6	84·8	225·6

Mr. Parry asked the Secretary of State for Northern Ireland what information he has to the number of tourists who visited the Province in each of the past six years to the latest available date.

Dr. Boyson: The information is as follows:

	Number
1979	728,000
1980	710,000
1981	588,000
1982	712,000
1983	865,000
1984	908,000

(Rounded to the nearest thousand)

Mr. Parry asked the Secretary of State for Northern Ireland what information he has as to the number of tourists who visited Northern Ireland from *(a)* the British mainland, *(b)* Europe, *(c)* the United States of America and *(d)* other countries, in each of the past four years.

Dr. Boyson: The information is as follows:

	1981	*1982*	*1983*	*1984*
Great Britain	343,000	352,000	377,000	405,000
Europe	191,000	305,000	419,000	441,000
United States of America	20,000	26,000	33,000	27,000
Other	34,000	29,000	36,000	35,000

Mr. Parry asked the Secretary of State for Northern Ireland if he is satisfied with the recent performance of the agencies responsible for promoting tourism in Northern Ireland; and if he will make a statement.

Dr. Boyson: Yes. I am satisfied that the Northern Ireland Tourist Board, district councils and local tourist development groups are working effectively to promote Northern Ireland tourism.

Local Government Elections

Mr. J. Enoch Powell asked the Secretary of State for Northern Ireland if he will forthwith use his regulation-making power under section 1.(2)(1F) of the Elections (Northern Ireland) Act 1985 to resolve the difficulty which has arisen over the use of medical cards at the local government elections on 15 May.

Mr. Scott: My right hon. Friend has carefully considered this possibility. However, to alter the list of documents specified in paragraph 34(6) of schedule 1 to the Local Elections (Northern Ireland) Order 1985, two instruments are necessary, one to alter the list for parliamentary elections, the other for local elections. The form of the legislation ensures that the same documents must be used for both parliamentary and local elections. Both instruments need to be approved by resolution of each House of Parliament and, in the case of local elections, the instrument needs to be made by Her Majesty in Council. Whilst it might be theoretically possible to put through both instruments and arrange a special meeting of the Privy Council, the time scale is such that it could not be known until the day preceding polling day whether the necessary changes had been made. To follow this course would thus increase uncertainty and confusion.

Nurses, Midwives and Health Visitors (Pay)

Rev. Martin Smyth asked the Secretary of State for Northern Ireland when he last met representatives of the Royal College of Nursing in Northern Ireland to discuss the findings of the review body on pay for nurses, midwives and health visitors; and if it is his intention that the full recommendations of the review body should be implemented in Northern Ireland.

Mr. Chris Patten: I shall reply to the hon. Gentleman as soon as possible.

Medical Cards

Mr. William Ross asked the Secretary of State for Northern Ireland if he will give a breakdown of the 1·4 million medical cards issued to which his hon. Friend referred on 29 April, *Official Report*, column *22*, to indicate, as far as possible, what groups of people received them, namely, newly born persons changing address or doctor and the number issued to each group in each year since the central services agency was set up.

Mr. Scott: Statistics are not available in the form requested, and no specific records of the number of medical cards issued have been kept since 1981. The figures for 1982, 1983 and 1984 which appear in the table are therefore estimates.

Breakdown of Medical Cards Issued from 1 October 1973 to 31 December 1984

	All Medical Cards	*Births*	*Immigrants and Re-entrants to Northern Ireland from outwith the United Kingdom*	*Change of Doctor transfers from Great Britain and others*
1973*	45,170	6,947	2,714	35,509
1974	126,987	23,761	5,213	98,013
1975	130,773	22,538	5,926	102,309
1976	132,518	23,409	4,224	104,885
1977	139,072	23,454	3,350	112,268
1978	130,822	23,647	3,757	103,418
1979	121,033	25,178	3,523	92,332
1980	115,718	25,896	3,074	86,748
1981	107,009	25,400	2,458	79,151
1982	†115,000	†25,000	†2,500	†87,500
1983	†110,000	†25,000	†2,500	†82,500
1984	†110,000	†25,000	†2,500	†82,500
TOTAL	1,384,102	275,230	41,739	1,067,133

* From 1 Octoberber 1973.
† Estimate.

Mr. William Ross asked the Secretary of State for Northern Ireland, in each year since the Central Services Agency for Personal Health and Social Services in Northern Ireland was set up, how many medical cards have been issued to *(a)* new-born children in Northern Ireland, *(b)* adults living in Northern Ireland as replacement for any and all reasons and *(c)* persons entering Northern Ireland.

Mr. Scott: I refer the hon. Gentleman to my answer to his earlier question on this subject. Figures for the

numbers of replacement cards issued to adults or to persons entering Northern Ireland are not separately recorded.

Mr. William Ross asked the Secretary of State for Northern Ireland what is his estimate of the number of local government electors in Northern Ireland who hold a medical card which is acceptable as proof of identity for the local government elections on 15 May; and what percentage of the electorate this represents.

Mr. Scott: This information is not available. The total number of medical cards issued by the Central Services Agency since its inception in 1973 is approximately 1,384,000, but there is no reliable means of correlating this figure with the number of people eligible to vote. The total includes applications from people who have since died, left Northern Ireland or not yet reached voting age. In addition, some applicants may have obtained replacements for cards issued since 1973, either because they have changed their doctor or address, or because they have lost their previous card.

Mr. William Ross asked the Secretary of State for Northern Ireland what is his estimate of the number of local government electors in Northern Ireland who hold a medical card which is not acceptable as proof of identity for the local government elections on 15 May; and what percentage of the local government electors this represents.

Mr. Scott: It is not possible to estimate the number of electors who were issued with a medical card by the General Health Services Board, who have not subsequently received a card issued by the Central Services Agency, and who still have their original card in their possession.

Mr. William Ross asked the Secretary of State for Northern Ireland what is his estimate of the number of local government electors in Northern Ireland whose only means of proving their identity for the purpose of receiving their ballot paper for the local government elections on 15 May is a medical card which they hold; and, of those persons, how many hold a medical card not issued by the Central Services Agency of the Personal Health and Social Services Department.

Mr. Scott: The Local Elections (Northern Ireland) Order 1985 provides that the only medical cards which may be accepted by presiding officers in local elections as proof of identity are those issued by the Northern Ireland Central Services Agency for the health and social services. It is not possible to estimate how many electors holding a medical card issued by the agency possess none of the other documents specified under the order.

Mr. William Ross asked the Secretary of State for Northern Ireland when he was first made aware that a medical card issued by the Northern Ireland General Health Services Board could not be accepted as proof of identity under the provisions of the Elections (Northern Ireland) Act 1985 and the Local Elections (Northern Ireland) Order 1985.

Mr. Scott: My right hon. Friend was informed on 24 April 1985 that some voters in Northern Ireland still held medical cards issued by the Northern Ireland General Health Services Board which was abolished in 1973. As the Chief Electoral Officer for Northern Ireland stated on 26 April and as my hon. Friend, the Member for Brent, North (Dr. Boyson) told the House on 29 April, these cards are not specified documents for the purpose of obtaining a ballot paper under the provisions of the Elections (Northern Ireland) Act 1985 and the Local Elections (Northern Ireland) Order 1985.

Local Government Electors

Mr. William Ross asked the Secretary of State for Northern Ireland what is his estimate of the number of local government electors in Northern Ireland who hold either a United Kingdom passport or a passport issued by the Republic of Ireland, or both.

Mr. Scott: I do not have any information about the number of holders of Republic of Ireland passports living in Northern Ireland. No separate record is kept of applications for United Kingdom passports from Northern Ireland residents. It is not possible therefore to give a useful estimate of the number of such passport holders on the electoral register for Northern Ireland local elections.

Mr. William Ross asked the Secretary of State for Northern Ireland what is his estimate of the number of married women who would need to produce their marriage certificate as proof of identity in order to cast their ballot in the local government elections on 15 May.

Mr. Scott: The inclusion of marriage certificates in the list of specified documents under the provisions of the Local Elections (Northern Ireland) Order 1985 was designed to assist women who have married since the electoral register was last compiled, and who may not possess any other documents under their maiden name. It is not possible to estimate how many women may fall into this category.

Mr. William Ross asked the Secretary of State for Northern Ireland what is his estimate of the number of local government electors in Northern Ireland who hold an allowance or pension book, or books, which is acceptable as proof of identity for the purpose of exercising the franchise on 15 May.

Mr. Scott: I shall reply to the hon. Gentleman as soon as possible.

SOCIAL SERVICES

Benefits

Mr. Ashdown asked the Secretary of State for Social Services if he will list what information is available about the geographical distribution, by regions or otherwise, of the number of recipients of supplementary benefit on long-term scale rates, in each year since 1981.

Mr. Whitney: I refer the hon. Member to my reply to him on 17 April at columns *214-15*.

Mr. Tony Lloyd asked the Secretary of State for Social Services (1) what is his policy on the circumstances in which he waives repayment of overpaid benefit;

(2) why he will not waive repayment in the case of Mr. D. Wilcha about whom the hon. Member for Stretford wrote to him on 12 and 14 February.

Mr. Whitney: The Secretary of State has a statutory right to recover benefit which the independent

adjudication authorities decide has been overpaid. It is the Secretary of State's policy to seek recovery in every case in which he has a right to do so unless it would cause undue hardship. Careful consideration is given to factors such as the cause of the overpayment and the person's age, health and financial and domestic circumstances.

Mr. D. Wilcha's case was considered carefully against these criteria. There were no special circumstances to justify a decision not to seek repayment of the benefit overpaid to him. He has already made arrangements to repay by deduction from his current benefit.

Elderly Mentally Infirm

Mr. Andrew Bowden asked the Secretary of State for Social Services what steps he is taking to establish a precise means of defining those people who may be categorised as the elderly mentally infirm.

Mr. John Patten: In recent years the Department has followed professional practice in abandoning the distinction formerly made between elderly people with mental illness and those suffering from forms of dementia. It is now accepted that a specialised service for the "psychiatry of old age" is required. Guidance on the development of such a service is contained in the Health Advisory Service's report "The Rising Tide," issued in 1983, a copy of which is in the Library. If my hon. Friend has a particular problem in mind, no doubt he will let me know.

Management Consultants

Mr. Mates asked the Secretary of State for Social Services if he will list the contracts, with the subject of assignment, awarded to management consultancy firms by his Department in 1984, with the name of the consultants concerned.

Mr. Fowler: The following is a list of contracts awarded by my Department in 1984, for management-computer-technical consultancy.

Contract	*Consultancy firm*
Management Information System	Touche Ross and Co.
Study of Domiciliary Oxygen Therapy Service	Arthur Andersen and Co.
Study on effectiveness of Department forms	Coopers and Lybrand Associates Ltd.
Management Budgeting, North Tees and Southmead Health Authorities	Arthur Young
Management Budgeting, Ealing and Basingstoke Health Authorities	Coopers and Lybrand Associates Ltd.
Review of Pharmaceutical Services	Binder Hamlyn
Use of Computers in the Family Practitioner Services	Arthur Andersen and Co.
Review of Public Health Laboratory Service Board	Robert Blowers
Review of pricing of medical gasses in the National Health Service	Binder Hamlyn Fry and Co.
Research into forms design	The Open University
Wembley 'Complex' of Family Practitioner Committees	Major-General R. P. Wall
Social Security Audit System appraisal and internal assistance	Arthur Young
Review of Wheelchair Services	Inbucon Ltd.
Advisor for Social Security Reviews	Coopers & Lybrands Ltd.
Monitoring Social Security Encashments	C^2 Systems Ltd.
Production of Data model	Model Systems Ltd.
Development of 'Artemis' Programming Aspects for electronic office	MOM
Housing Benefit Review	Logica Ltd.
To Provide Guidelines on Hardware for the Wembley (Family Practitioners Services) Complex	Abbey Business Consultants
Setting up Formal Project Control Systems and Procurement	CAP (LONDON) LTD
Computer Programming Standards	Peat Marwick Mitchell & Co.
Work on the Wembley 'Complex' (Family Practitioner Services) Project	Abbey Business Consultants
Preliminary Study of Patient Information System	Coopers and Lybrand Associates Ltd.
Work on the United Kingdom Transplant Service (UKTS) Replacement Computer Project	PA Consulting Services Ltd.
Economist's Study of Artificial Limb and Wheelchair Industries	Professor Beenstock
Scrutiny of Administrative and Legislative Burdens	Research Associates
Consultancy for Department Management Board	T. E. Nodder
Study of the Department's methods of assessing transfer prices of drugs	Thornton Baker Associates
Public Health Laboratory Service Evaluation of proposals for marketing research products	N. M. Rothschild Ltd.
National Unemployment Benefit System Technical/ Management Consultancy	BIS Ltd.
Feasibility study and development of plan/strategy for an integrated telecom network	Logica Ltd.
Programmer for collation of statistics for the Housing Benefit Review	Syntek Ltd.
Programmer for Works Group Study	Cedar Design
Audit of local Office Project	CSC Consultants
Advice on alignment of benefit periods	Arthur Young

NHS (Price Rises)

Mr. Deakins asked the Secretary of State for Social Services what information is available to him about the rise in prices paid by the National Health Service as compared with the general rise in prices since 1979.

Mr. Kenneth Clarke: Since 1979, the Health Services Price Index, which measures movements in the prices of goods and services directly bought by health authorities, has risen by nearly 60 per cent., compared to an estimated general rise in prices as measured by the GDP deflator over the same period of 52 per cent.

Invalid Vehicles (Petrol Allowance)

Mr. Alfred Morris asked the Secretary of State for Social Services by what percentage the petrol allowance paid to the disabled drivers of his Department's invalid vehicles has fallen in real terms since it was increased to its present value; and to what amount it would be necessary to increase the allowance to restore its value.

Mr. Newton: The value of the petrol tax allowance paid to drivers of the Department's invalid three-wheelers has fallen by 68·5 per cent. in real terms since it was fixed in November 1974. Based on the movement in the retail prices index from November 1974 to March 1985, it would be necessary to increase the allowance to £32 a year to restore its value. It is, however, not linked directly to the index or any other specific factor.

Claimants (Order Books)

Mr. Alfred Morris asked the Secretary of State for Social Services what difficulties his Department is aware of where claimants have a single order book for more than one benefit; and what efforts have been made to overcome them.

Mr. Whitney: We are not aware of difficulties where claimants have single order books for more than one benefit. If the right hon. Member cares to let me have details of any such difficulties which claimants have encountered, I will arrange for these to be examined.

Mr. Alfred Morris asked the Secretary of State for Social Services if mobility allowance beneficiaries lose any weeks' benefit if they transfer from order book to credit transfer payment.

Mr. Newton: No, but the period between payments is six days longer at the point of changeover. Under both methods of payment mobility allowance is paid at four-weekly intervals. Credit transfer payments are made on the last day (a Tuesday) of each four-week period while order book payments are available on the preceding Wednesday.

Contraception (Minors)

Mr. Nicholas Winterton asked the Secretary of State for Social Services if he will list those community health councils from which he has received recent representations concerning the provision of contraceptive drugs and devices to minors without their parents' consent.

Mr. Kenneth Clarke: In the last six months we have received such representations from South Cumbria and Richmond, Twickenham and Roehampton community health councils.

Home Helps

Mr. Alfred Morris asked the Secretary of State for Social Services what recent advice he has sent to local authorities about the charging of elderly infirm and disabled people who live on supplementary benefit for their home helps.

Mr. John Patten: Circular LAC(84)7 issued to local authorities in March 1984 drew attention to the charging provisions for home help contained in the Health and Social Services and Social Security Adjudications Act 1983 and the guidelines issued by the Local Authority Association to its members. A copy of the circular is in the Library.

Prescribing

Mr. Latham asked the Secretary of State for Social Services what progress is being made in his discussions with the British Medical Association regarding an appeal system relating to the need of a particular patient to be prescribed by a general practitioner a drug no longer available under the National Health Service; by what date he expects the discussions to be concluded; and when a new appeal system will be in place.

Mr. Kenneth Clarke: I have had a number of discussions with representatives of the general medical services committee of the British Medical Association and the Royal College of General Practitioners about the possibility of setting up such an appeal system. In the light of those discussions, I set out the Government's proposals for an appeal mechanism in a letter to the general medical services committee of the British Medical Association on 16 April. I understand that the committee has decided to refer the offer to the annual conference of local medical committees, which is to be held on 12 and 13 June, and that no final response will be made until after that.

Pensions

Mr. Meacher asked the Secretary of State for Social Services what has been the expenditure on the state earnings-related pension scheme in each year since 1978; what has been the number of pensioners benefiting and the average level of additional pension paid in each of these years; and what is the forecast level of expenditure on this scheme, stating the assumptions used (i) for each year till 1998 and (ii) for each year till 2030, in each case indicating the number of pensioner beneficiaries each year, and the average level of earnings-related pension each year.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible.

National Health Service

Mr. Meacher asked the Secretary of State for Social Services (1) if he will set out, for each year since 1960, the level of (i) Exchequer supplement, (ii) national insurance contributions, (iii) National Health Service charges levied and (iv) other revenue sources contributing each year to the total National Health Service budget; and what percentage of total revenue each year came from each of these sources;

(2) what has been the level of National Health Service expenditure each year since 1960; what percentage change each year this represents in real terms as measured by the retail price index; what percentage change each year this represents in terms of National Health Service pay and prices; and what percentage change each year this represents in terms of National Health Service pay and prices, taking into account annual rises in demographic demand and in the costs of medical technology.

Mr. Kenneth Clarke: I shall let the hon. Member have a reply as soon as possible.

Surrogacy

Mr. Maples asked the Secretary of State for Social Services whether he has issued to local authorities guidance on their responsibilities in surrogacy cases.

Mr. John Patten: Yes, a circular has been issued today, a copy of which is in the Library.

Attendance Allowance

Mr. Alfred Morris asked the Secretary of State for Social Services if he will list the number of people in receipt of attendance allowance at each rate at 31 December 1984; and if he will break down the figures by *(a)* social security region, *(b)* the rate per 1,000 population in each region and *(c)* the rate per 1,000 of population over 65 years of age in each region.

Mr. Newton [*pursuant to his reply*, 26 March 1985, c. *173-4*]: The available information is in the following tables. I regret that information is not available to provide a regional breakdown of attendance allowance recipients over 65 expressed as a rate per thousand of the population over 65.

Table 1

*Attendance allowances current on 31 March 1984**
Analysed by region and expressed as a rate per thousand of the population†

Region‡	Higher rate		Lower rate	
	Number in receipt	Rate per 1,000 population	Number in receipt	Rate per 1,000 population
Northern	9,493	3·06	14,388	4·64
Yorks and Humberside	15,706	3·20	25,628	5·22
East Midlands	14,547	3·77	18,801	4·87
East Anglia	4,403	2·29	5·787	3·01
South East	52·242	3·07	74·155	4·35
South West	19·726	4·46	22·820	5·16
West Midlands	21·878	4·23	31,662	6·12
North West	23,824	3·72	38,747	6·04
Scotland	14,287	2·77	24,155	4·69
Wales	17,722	6·31	19,701	7·02
Great Britain	193,828	3·54	275,844	5·03

Notes:
* Estimate.
† Mid-1983 Estimates.
‡ The regions are Standard Regions and do not match Social Security regions precisely.

Table 2

*Attendance allowance recipients over 65 on 31 March 1984**
Expressed as a rate per thousand of the population over 65†

	Number in receipt	Rate per 1,000 population
England	231,681	33·91
Scotland	19,363	27·23
Wales	23,901	54·20
Great Britain	274,945	34·43

Notes:
* Estimate.
† Mid-1983 Estimates.

AGRICULTURE, FISHERIES AND FOOD

EC (Cereal Stocks)

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food what proportion of EEC cereal stocks was sent overseas as *(a)* food aid, *(b)* emergency supplies and *(c)* subsidised sales in the latest 12 months for which figures are available.

Mr. MacGregor: During this period exports, including those for food aid, have been predominantly from the free market. Total export commitments for all cereals for the current marketing year had reached 17·1 million tonnes by 16 April. Under the food aid convention the community and its member states are committed to supply a minimum of 1·65 million tonnes of cereal food aid per year.

In the year ended 12 April 1985 some 3 per cent. of the cereals held in intervention at the start of that period, plus intake over that period, was released for food aid and emergency food aid; and 6 per cent. as normal exports.

Milk

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what further plans have been put forward by the EEC to eliminate the surplus production of milk; to what extent the existing quotas on production permit surplus production; what effect the various price and other proposals will have on United Kingdom milk producers' returns in the current marketing year; and if it is his intention to reduce the returns to producers to bring supply and demand into balance within the quota system.

Mr. MacGregor: At present the Community milk quotas permit production of some 13·5 million tonnes in excess of consumption.

The Commission has proposed an increase in the target price of 1·5 per cent.; this is accompanied by a cut in quotas of approximately 1 per cent. and a reduction in the rate of the corresponsibility levy from 3 per cent. to 2 per cent. of the target price. These proposals are currently being discussed by the Council of Agriculture Ministers in the context of this year's price fixing negotiations, and it is not possible at this stage to predict the outcome.

The Government place high priority on improving the balance of supply and demand in the milk sector and reducing the heavy financial costs to the Community budget. It is for this reason that we are continuing to argue for a price freeze in these negotiations.

Actual returns to producers in the United Kingdom are dependent upon the prices for milk obtained from the different outlets for milk by the milk marketing boards or by producers themselves where they sell direct. How far these reflect changes in institutional prices depends upon the market circumstances for the different outlets and the marketing skills of those supplying them.

Monofilament Nets

Mr. Maclennan asked the Minister of Agriculture, Fisheries and Food what research he has initiated into the use of monofilament nets and their impact upon salmon stocks; and if he will make a statement.

Mr. MacGregor: The Directorate of Fisheries Research studies the use of gill nets made of various materials, including monofilament fibre, and the effects of their use. Work already carried out has indicated that monofilament nets tend to cause less damage to salmon than multifilament nets. Work presently in hand is not directly related to salmon stocks.

Olive Oil

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what is the expected cost to the European Economic Community budget of the current price proposals under the common agricultural policy for olive oil.

Mr. MacGregor: The Commission estimates that its proposals on olive oil will cost 36·5 mecu in 1986 but have a nil effect in 1985.

EC (Spending)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he took into account the possiblity of a fall in the value of the dollar in agreeing to a limit being put on European Economic Community agricultural expenditure; and whether he is satisfied that such expenditure will not exceed the specified limit in the current year.

Mr. MacGreogr: The provision made for expenditure under the common agricultural policy in the draft budget for 1985, which was established by the Budget Council on 23 April, takes account of the possibility of a fall in the value of the dollar compared with the European currency unit and it is not expected to be exceeded.

Cereals

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food why the Government have not insisted on the full application of the price reduction formula on cereals; and if he will publish in the *Official Report* the percentage reduction which the application of the formula would require.

Mr. MacGregor: Our view is that the full 5 per cent. reduction required by the application of the guarantee threshold should be applied to the existing price level, without any offsetting norm price increase, although a norm price increase is not inconsistent with the existing guarantee threshold rules. We are continuing to make this clear in negotiations in the Council of Ministers, although there is widespread and stiff opposition to this view.

Birds (Special Protection Areas)

Dr. Cunningham asked the Minister of Agriculture, Fisheries and Food if he has made any objections to the listing as a European Commission birds directive special protection area and Ramsar convention site the following estuaries *(a)* Morecambe bay, *(b)* River Orwell, Suffolk and *(c)* the Wash.

Mrs. Fenner: I shall reply to the hon. Member as soon as possible.

TRADE AND INDUSTRY

Tourism

Mr. Gregory asked the Secretary of State for Trade and Industry if he will list the grants over £10,000 given by the English tourist board to aid tourist development projects in each of the last five years, specifying also where appropriate the ultimate holding company of the recipient of the grant.

Mr. Norman Lamont: The English Tourist board made 1,800 grant offers to tourism projects under section 4 of the Development of Tourism Act 1969 during the five financial years 1980-81 to 1984-85. Details of individual grants of over £10,000 could be provided only at disproportionate cost.

Telecommunications Equipment

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry (1) what proportion of telecommunications equipment which is assembled in the United Kingdom is manufactured locally, by ex-factory percentage of value; and what proportion of this value is accounted for by labour and what by component;

(2) if he is satisfied that British manufacturers of telcommunications equipment enjoy the same access to the Swedish market that Swedish manufacturers of telecommunications equipment have to the British market.

Mr. Butcher: I shall reply to my hon. Friend as soon as possible.

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry (1) what was the value of imports of telecommunications equipment from Japan including components into the United Kingdom for the last 12 months for which figures are available; and what was the value of United Kingdom exports of telecommunications equipment including components to Japan for the same period;

(2) what was the value of imports of Swedish telecommunications equipment including components into the United Kingdom for the last 12 months for which figures are available; and what was the value of United Kingdom exports of telecommunications equipment to Sweden, including components over the same period.

Mr. Channon: I shall reply to my hon. Friend as soon as possible.

Nippon Telegraph and Telephone

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry if Her Majesty's Government will seek to make arrangements with the Government of Japan to enable British investors to buy shares in Nippon Telegraph and Telephone.

Mr. Butcher: I shall reply to my hon. Friend as soon as possible.

Citizens Band Radio

Sir Patrick Wall asked the Secretary of State for Trade and Industry what is the latest position on the introduction

of citizens band radio to the frequencies recommended by the Conference of European Posts and Telecommunications Unions.

Mr. Butcher: I shall reply to my hon. Friend as soon as possible.

British Telecom

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry what assistance was made available in the United Kingdom to enable Japanese investors to buy shares in British Telecom.

Mr. Butcher: I shall reply to my hon. Friend as soon as possible.

Written Answers to Questions

Tuesday 7 May 1985

CHURCH COMMISSIONERS

Company Holdings

Mr. Frank Field asked the hon. Member for Wokingham, as representing the Church Commissioners, if he will list for each of the last five years the number of times the commissioners informally and confidentially approached companies in which they hold shares to discuss matters about the running of the company which cause the commissioners concern; and if he will detail the nature of these concerns.

Sir William van Straubenzee: The number of companies the Commissioners have approached over the last five years is as follows:

	Number
1980	16
1981	11
1982	15
1983	18
1984	21

As the question indicates such approaches (both in writing and at meetings) cover a wide range of social and ethical issues. They are made confidentially since the Commissioners are convinced that this is the most effective way to make them. In November 1984 the Commissioners did however announce that they had sold their investment in a major United States company, Carnation, because they had been unable to obtain satisfactory assurances regarding the working conditions of a proportion of its workforce in South Africa.

Staff Statistics

Mr. Frank Field asked the hon. Member for Wokingham, as representing the Church Commissioners, if he will list the total number of staff employed by the commissioners; and if he will clarify these data according to the following salary ranges and as to whether the staff are male or female: under £4,000, £4,001 to £5,000, £5,001 to £7,000, £7,001 to £9,000, £9,001 to £11,000, £11,001 to £13,000, £13,001 to £15,000, £15,001 to £17,000, £17,001 to £19,000, £19,001 to £21,000 and over £21,000 per annum.

Sir William van Straubenzee: The total number of staff employed by the Commissioners at 31 December 1984 was 371. They fall into the categories mentioned as follows:

Gross Annual Salary Range	*Number of Males*	*Number of Females*	*Total*
Under £4,000	Nil	Nil	Nil
£4,001 to £5,000	0	2	2
£5,001 to £7,000	51	52	103
£7,001 to £9,000	49	59	108
£9,001 to £11,000	32	22	54
£11,001 to £13,000	30	15	45
£13,001 to £15,000	22	1	23
£15,001 to £17,000	3	1	4
£17,001 to £19,000	4	1	5
£19,001 to £21,000	1	2	3
Over £21,000	23	1	24
Total	215	156	371

The Commissioners' staff hold posts graded by reference to Civil Service analogues and the salary figures used are the gross figures payable and based on the appropriate Civil Service scale for each grade and include the London weighting allowance (£1,300 per annum).

ENVIRONMENT

Rate Support Grant

Mr. Silvester asked the Secretary of State for the Environment if he will list each local authority in England according to the percentage of the national rate support grant that was allocated to it for each year since 1979.

Mr. Waldegrave [*pursuant to his reply*, 30 April 1985, c. *89*]: The information is in the table:

Notes:

(i) Figures for 1979-80 and 1980-81 comprise needs, resources and domestic elements and are final entitlements. Figures for 1981-82 onwards comprise block grant and domestic rate relief grant. For 1981-82 they are final entitlements. Block grant entitlements in 1982-83 and 1983-84 are based on outturn expenditure after holdback; those for 1984-85 are based on budgets after holdback; and those for 1985-86 are based on budgets (where available) before holdback but after initial percentage close-ending.

(ii) The figures for 1979-80 and 1980-81 are not comparable with those for later years. Resources element was not paid to non-metropolitan counties, and rate support grant was not paid to metropolitan counties or to precepting authorities in London prior to 1981-82. In 1981-82 and 1982-83 block grant in respect of the Metropolitan police was paid to the rating authorities in London; this arrangement applied also to the Greater London council in 1981-82 only.

Local Authorities in England: Individual Rate Support Grant as a Percentage of the National Total in Each Year

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
Avon	0·8617	0·8626	1·3875	1·3404	1·2694	1·1608	1·3090
Bedfordshire	0·5142	0·5375	0·6261	0·6563	0·6886	0·6784	0·5987
Berkshire	0·6145	0·6169	0·6819	0·6052	0·5508	0·6318	0·5079
Buckinghamshire	0·4441	0·4542	0·6293	0·6260	0·6483	0·6501	0·6147
Cambridgeshire	0·4473	0·4560	0·8073	0·8197	0·8293	0·8442	0·8182
Cheshire	0·8824	0·9071	1·5726	1·4522	1·4660	1·1362	1·3173
Cleveland	0·8021	0·8260	1·1562	1·0975	1·1173	1·0397	1·2046
Cornwall	0·3884	0·3981	0·7528	0·7966	0·7931	0·8285	0·8441
Cumbria	0·5273	0·5428	1·0220	1·0319	1·0039	1·0324	1·0261
Derbyshire	0·8864	0·9107	1·6532	1·6006	1·6058	1·5003	1·6698
Devon	0·7905	0·8197	1·5458	1·5582	1·5514	1·6317	1·6293
Dorset	0·4270	0·4349	0·7974	0·7163	0·6895	0·6952	0·6433
Durham	0·6647	0·6776	1·3293	1·3177	1·3367	1·3611	1·3084
East Sussex	0·4922	0·5114	0·7748	0·7164	0·6770	0·6979	0·6178
Essex	1·2913	1·3157	1·7399	1·6230	1·6684	1·6281	1·4463
Gloucestershire	0·4500	0·4531	0·7834	0·7743	0·7747	0·7954	0·7257
Hampshire	1·3086	1·3619	2·0782	2·0321	2·0503	2·1105	1·8643
Hereford and Worcester	0·5241	0·5279	0·9641	0·9443	0·9691	1·0013	0·9554
Hertfordshire	0·9093	0·8999	1·0035	0·8885	0·8488	0·7961	0·6614
Humberside	1·1012	1·1221	1·7731	1·8383	1·8249	1·8727	1·8924
Isle of Wight	0·0927	0·0964	0·2046	0·2171	0·2239	0·2265	0·2285
Kent	1·3398	1·3217	2·3566	2·3261	2·4102	2·4755	2·3548
Lancashire	1·5362	1·5887	2·9336	2·9828	3·0144	3·1510	3·1084
Leicestershire	0·9086	0·9236	1·4423	1·4376	1·4713	1·5385	1·4673
Lincolnshire	0·5556	0·5750	1·0412	1·0508	1·0617	1·0944	1·0770
Norfolk	0·6018	0·6161	1·0382	1·0374	1·0171	1·0459	1·0162
Northamptonshire	0·4803	0·4865	0·8537	0·9079	0·9429	0·9591	0·9154
Northumberland	0·3206	0·3283	0·6067	0·5999	0·4865	0·5673	0·5857
North Yorkshire	0·6580	0·6702	1·2522	1·2207	1·2207	1·2227	1·1937
Nottinghamshire	1·2287	1·2504	1·9073	1·7889	1·6891	1·8942	1·8388
Oxfordshire	0·4148	0·4183	0·6460	0·5947	0·5830	0·5620	0·4332
Shropshire	0·3748	0·3800	0·6975	0·7129	0·7480	0·7607	0·7476
Somerset	0·3464	0·3631	0·7173	0·7190	0·7133	0·7395	0·7357
Staffordshire	0·9160	0·9443	1·7482	1·7779	1·8264	1·7893	1·7745
Suffolk	0·4230	0·4349	0·8472	0·8664	0·8745	0·8884	0·8088
Surrey	0·6266	0·6686	0·8133	0·7020	0·6267	0·5537	0·3956
Warwickshire	0·3946	0·4028	0·6886	0·6758	0·6823	0·6992	0·5899
West Sussex	0·4089	0·4222	0·6700	0·6284	0·6218	0·6669	0·5874
Wiltshire	0·4289	0·4352	0·9249	0·9486	0·9548	0·9877	0·9187
Greater Manchester	0·0000	0·0000	1·1137	1·1358	1·1895	1·1585	1·5207
Merseyside	0·0000	0·0000	0·7785	0·7713	0·7633	0·7058	1·0651
South Yorkshire	0·0000	0·0000	0·7326	0·7791	0·7294	0·7043	0·7752
Tyne and Wear	0·0000	0·0000	0·7240	0·8192	0·8433	0·8566	0·9779
West Midlands	0·0000	0·0000	0·8176	0·7383	0·7965	0·7436	1·1027
West Yorkshire	0·0000	0·0000	1·0543	1·0519	1·1038	1·1636	1·2649
Isles of Scilly	0·0069	0·0075	0·0075	0·0079	0·0082	0·0082	0·0086
Greater Manchester							
Bolton	0·6765	0·6769	0·5906	0·6090	0·6276	0·6539	0·6402
Bury	0·4275	0·4351	0·3505	0·3460	0·3693	0·3733	0·3510
Manchester	1·5229	1·5195	1·2792	1·1004	1·1193	1·0865	1·0703
Oldham	0·6306	0·6198	0·5793	0·5691	0·5934	0·6177	0·6134
Rochdale	0·6241	0·6242	0·5368	0·5482	0·5726	0·5784	0·5798
Salford	0·7506	0·7452	0·6602	0·6255	0·6336	0·6434	0·5986
Stockport	0·5929	0·5890	0·4937	0·4802	0·4830	0·4904	0·4506
Tameside	0·6002	0·6201	0·5175	0·5223	0·5278	0·5436	0·5373
Trafford	0·3716	0·3650	0·3148	0·2956	0·2830	0·2772	0·2447
Wigan	0·8044	0·8114	0·6996	0·7171	0·6785	0·7213	0·7043
Total of Districts	7·0013	7·0062	6·0222	5·8134	5·8881	5·9857	5·7902
Merseyside							
Knowsley	0·5162	0·5172	0·4595	0·4438	0·4405	0·4485	0·4416
Liverpool	1·5765	1·6290	1·3390	1·2993	1·3629	1·3358	1·3536
St. Helens	0·4540	0·4690	0·3922	0·3915	0·4081	0·4156	0·4072
Sefton	0·7191	0·7134	0·5659	0·5533	0·5453	0·5477	0·5237
Wirral	0·8294	0·8299	0·6672	0·6591	0·6848	0·6964	0·6762
Total of Districts	4·0952	4·1585	3·4238	3·3470	3·4416	3·4440	3·4023

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
South Yorkshire							
Barnsley	0·6592	0·7011	0·5506	0·5384	0·5539	0·5620	0·5328
Doncaster	0·7903	0·8274	0·6697	0·6517	0·6710	0·6816	0·6755
Rotherham	0·7205	0·7271	0·6158	0·5980	0·6142	0·6334	0·6120
Sheffield	1·3097	1·3698	1·0575	1·0145	0·9695	1·0148	1·0633
Total of Districts	3·4797	3·6254	2·8936	2·8026	2·8086	2·8918	2·8836
Tyne and Wear							
Gateshead	0·5918	0·6116	0·4907	0·4729	0·4898	0·4999	0·4821
Newcastle-Upon-Tyne	0·7129	0·7209	0·5488	0·4318	0·4366	0·4341	0·4186
North Tyneside	0·5654	0·5673	0·4503	0·4294	0·4297	0·4495	0·4346
South Tyneside	0·5405	0·5414	0·4566	0·4403	0·4423	0·4466	0·4192
Sunderland	0·8907	0·8907	0·7087	0·7156	0·7197	0·6982	0·7515
Total of Districts	3·3013	3·3319	2·6551	2·4900	2·5181	2·5283	2·5060
West Midlands							
Birmingham	2·3764	2·3326	1·9627	1·8903	2·1007	2·2023	2·1767
Coventry	0·7496	0·7552	0·6694	0·6841	0·6890	0·6900	0·6263
Dudley	0·4571	0·4512	0·3962	0·3902	0·4222	0·4451	0·4276
Sandwell	0·5900	0·5943	0·4497	0·5217	0·5846	0·6133	0·5817
Solihull	0·3543	0·3461	0·3163	0·3268	0·3396	0·3412	0·3109
Walsall	0·5306	0·5451	0·4617	0·4350	0·5210	0·5350	0·5119
Wolverhampton	0·5520	0·5672	0·4949	0·5131	0·5322	0·5437	0·5246
Total of Districts	5·6100	5·5917	4·7509	4·7612	5·1893	5·3706	5·1597
West Yorkshire							
Bradford	1·3448	1·3514	1·1573	1·1844	1·2606	1·2894	1·3341
Calderdale	0·5493	0·5580	0·4836	0·4805	0·4908	0·5069	0·4980
Kirklees	1·0080	1·0484	0·8806	0·9452	0·9859	1·0303	1·0191
Leeds	1·6121	1·6297	1·3642	1·3222	1·3633	1·4120	1·3039
Wakefield	0·7490	0·7533	0·6340	0·6141	0·6341	0·6504	0·6126
Total of Districts	5·2632	5·3408	4·5197	4·5464	4·7347	4·8890	4·7677
I.L.E.A.	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0·0000
Greater London Council	0·0000	0·0000	0·0000	1·3986	0·0000	0·0000	0·4510
City of London	0·0055	0·0045	0·1857	0·0060	0·0060	0·0064	0·0064
Camden	0·5006	0·4258	0·1998	0·1434	0·0578	0·0598	0·0581
Greenwich	0·5019	0·4980	0·3619	0·3425	0·2884	0·2814	0·3805
Hackney	0·5887	0·5748	0·5022	0·4927	0·5086	0·5050	0·5702
Hammersmith and Fulham	0·4636	0·4501	0·3843	0·3896	0·3919	0·3816	0·4103
Islington	0·5509	0·5332	0·3454	0·3567	0·3830	0·0439	0·2896
Kensington and Chelsea	0·4540	0·4257	0·2211	0·2446	0·2354	0·1622	0·1695
Lambeth	0·7512	0·6998	0·6218	0·6584	0·5860	0·4217	0·5391
Lewisham	0·7222	0·7036	0·5349	0·5402	0·5153	0·4856	0·5527
Southwark	0·6890	0·6676	0·5235	0·4597	0·3934	0·2015	0·4677
Tower Hamlets	0·4567	0·4245	0·3462	0·3176	0·2831	0·2463	0·2278
Wandsworth	0·7576	0·7340	0·5459	0·5315	0·5633	0·5635	0·5782
Westminster	0·5218	0·5103	0·5633	0·3956	0·1524	0·1592	0·1581
Barking and Dagenham	0·3669	0·3593	0·3182	0·3189	0·3084	0·3019	0·3031
Barnet	0·5871	0·5717	0·5253	0·5278	0·4533	0·4390	0·4348
Bexley	0·5156	0·5197	0·5172	0·5198	0·5206	0·5266	0·5218
Brent	0·7343	0·7041	0·6302	0·6824	0·5916	0·6257	0·7460
Bromley	0·6569	0·6459	0·6112	0·5812	0·5417	0·5405	0·5164
Croydon	0·7143	0·7056	0·6591	0·6330	0·5543	0·5490	0·5457
Ealing	0·6437	0·6280	0·6338	0·6996	0·6561	0·6660	0·6545
Enfield	0·5536	0·5512	0·5253	0·5341	0·5097	0·5084	0·5139
Haringey	0·7178	0·7139	0·6750	0·6993	0·6362	0·6113	0·6679
Harrow	0·3967	0·3968	0·3884	0·4037	0·3806	0·3827	0·3978
Havering	0·5374	0·5266	0·5248	0·5222	0·5007	0·5188	0·5033
Hillingdon	0·4266	0·4238	0·3643	0·3292	0·2647	0·2561	0·2258
Hounslow	0·4277	0·4120	0·3228	0·3421	0·2814	0·2074	0·2725
Kingston-upon-Thames	0·2668	0·2650	0·2436	0·2366	0·2137	0·2082	0·1856
Merton	0·3838	0·3801	0·3653	0·3485	0·3253	0·3283	0·3408
Newham	0·6984	0·6966	0·7030	0·8247	0·8250	0·8560	0·8453
Redbridge	0·5114	0·5091	0·4823	0·4937	0·4705	0·4760	0·4689
Richmond-upon-Thames	0·3329	0·3285	0·3142	0·2822	0·2462	0·2231	0·2102
Sutton	0·3663	0·3595	0·3405	0·3319	0·3102	0·3232	0·3138
Waltham Forest	0·6333	0·6278	0·6061	0·6809	0·7228	0·7349	0·7025

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
Avon							
Bath	0·0890	0·0869	0·0443	0·0407	0·0389	0·0386	0·0384
Bristol	0·3385	0·3483	0·1954	0·1793	0·1774	0·1841	0·1704
Kingswood	0·1114	0·1110	0·0314	0·0324	0·0334	0·0330	0·0311
Northavon	O·1199	0·1174	0·0308	0·0303	0·0331	0·0332	0·0258
Wansdyke	0·0919	0·0891	0·0258	0.0259	0·0240	0·0229	0·0197
Woodspring	0·1811	0·1752	0·0621	0·0640	0·0638	0·0673	0·0603
Total of Districts	0·9318	0·9279	0·3898	0·3706	0·3706	0·3791	0·3487
Bedfordshire							
North Bedfordshire	0·1059	0·0970	0·0365	0·0392	0·0454	0·0438	0·0374
Luton	0·0593	0·0556	0·0573	0·0524	0·0637	0·0611	0·0565
Mid Bedfordshire	0·1109	0·1068	0·0273	0·0261	0·0263	0·0262	0·0228
South Bedfordshire	0·0506	0·0451	0·0306	0·0272	0·0273	0·0257	0·0204
Total of Districts	0·3267	0·3045	0·1517	0·1449	0·1632	0·1568	0·1371
Berkshire							
Bracknell	0·0451	0·0440	0·0211	0·0242	0·0270	0·0278	0·0263
Newbury	0·0982	0·0962	0·0440	0·0447	0·0419	0·0410	0·0343
Reading	0·0551	0·0496	0·0427	0·0431	0·0402	0·0424	0·0487
Slough	0·0418	0·0389	0·0342	0·0325	0·0418	0·0344	0·0341
Windsor and Maidenhead	0·0613	0·0545	0·0479	0·0470	0·0465	0·0441	0·0378
Wokingham	0·0968	0·0905	0·0431	0·0406	0·0397	0·0386	0·0336
Total of Districts	0·3983	0·3737	0·2330	0·2321	0·2371	0·2283	0·2148
Buckinghamshire							
Aylesbury Vale	0·0867	0·0875	0·0317	0·0357	0·0376	0·0376	0·0330
South Bucks	0·0272	0·0254	0·0200	0·0201	0·0195	0·0177	0·0173
Chiltern	0·0430	0·0381	0·0293	0·0290	0·0291	0·0288	0·0245
Milton Keynes	0·0903	0·0957	0·0316	0·0428	0·0403	0·0368	0·0376
Wycombe	0·0556	0·0529	0·0330	0·0453	0·0459	0·0457	0·0390
Total of Districts	0·3028	0·2996	0·1456	0·1729	0·1724	0·1666	0·1514
Cambridgeshire							
Cambridge	0·0337	0·0310	0·0387	0·0393	0·0367	0·0356	0·0368
East Cambridgeshire	0·0686	0·0666	0·0133	0·0141	0·0142	0·0153	0·0135
Fenland	0·0795	0·0788	0·0218	0·0246	0·0246	0·0230	0·0215
Huntingdon	0·1443	0·1438	0·0358	0·0368	0·0367	0·0375	0·0317
Peterborough	0·1112	0·1119	0·0528	0·0491	0·0491	0·0459	0·0375
South Cambridgeshire	0·0869	0·0854	0·0287	0·0316	0·0290	0·0313	0·0254
Total of Districts	0·5242	0·5175	0·1911	0·1955	0·1903	0·1886	0·1664
Cheshire							
Chester	0·0937	0·0954	0·0360	0·0416	0·0405	0·0394	0·0369
Congleton	0·0881	0·0900	0·0227	0·0262	0·0257	0·0261	0·0220
Crewe and Nantwich	0·1264	0·1275	0·0489	0·0438	0·0426	0·0432	0·0393
Ellesmere and Neston	0·0273	0·0261	0·0243	0·0212	0·0215	0·0216	0·0159
Halton	0·1102	0·1173	0·0490	0·0457	0·0445	0·0438	0·0417
Macclesfield	0·1378	0·1336	0·0559	0·0545	0·0543	0·0548	0·0487
Vale Royal	0·1146	0·1149	0·0360	0·0349	0·0348	0·0358	0·0309
Warrington	0·1567	0·1632	0·0501	0·0584	0·0584	0·0572	0·0534
Total of Districts	0·8548	0·8680	0·3229	0·3263	0·3223	0·3219	0·2888
Cleveland							
Hartlepool	0·1164	0·1365	0·0477	0·0462	0·0522	0·0532	0·0521
Langbaurgh	0·1313	0·1345	0·0593	0·0527	0·0547	0·0501	0·0468
Middlesbrough	0·2084	0·2304	0·1141	0·1057	0·1109	0·1120	0·1139
Stockton on Tees	0·1138	0·1282	0·0581	0·0540	0·0605	0·0591	0·0476
Total of Districts	0·5699	0·6296	0·2792	0·2586	0·2783	0·2744	0·2604
Cornwall							
Caradon	0·0857	0·0858	0·0242	0·0266	0·0266	0·0271	0·0252
Carrick	0·0814	0·0808	0·0318	0·0294	0·0315	0·0323	0·0303
Kerrier	0·1032	0·1014	0·0293	0·0333	0·0301	0·0301	0·0289
North Cornwall	0·0809	0·0814	0·0257	0·0265	0·0273	0·0278	0·0259
Penwith	0·0687	0·0661	0·0276	0·0258	0·0254	0·0253	0·0243
Restormel	0·0749	0·0744	0·0267	0·0264	0·0271	0·0276	0·0255
Total of Districts	0·4948	0·4899	0·1653	0·1680	0·1680	0·1702	0·1601

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
Cumbria							
Allerdale	0·1418	0·1378	0·0431	0·0409	0·0444	0·0453	0·0447
Barrow in Furness	0·1118	0·1098	0·0367	0·0346	0·0362	0·0367	0·0352
Carlisle	0·1319	0·1274	0·0360	0·0425	0·0454	0·0455	0·0408
Copeland	0·1042	0·1014	0·0329	0·0292	0·0319	0·0315	0·0290
Eden	0·0568	0·0570	0·0138	0·0143	0·0154	0·0151	0·0144
South Lakeland	0·1203	0·1165	0·0411	0·0398	0·0385	0·0430	0·0386
Total of Districts	0·6668	0·6499	0·2036	0·2013	0·2118	0·2171	0·2027
Derbyshire							
Amber Valley	0·1296	0·1240	0·0433	0·0424	0·0423	0·0419	0·0369
Bolsover	0·1078	0·1071	0·0285	0·0274	0·0284	0·0291	0·0266
Chesterfield	0·1135	0·1136	0·0424	0·0375	0·0393	0·0403	0·0435
Derby	0·2094	0·2017	0·0776	0·0922	0·0933	0·0954	0·0900
Erewash	0·1260	0·1215	0·0414	0·0426	0·0418	0·0428	0·0389
High Peak	0·0954	0·0911	0·0297	0·0272	0·0299	0·0304	0·0264
North East Derbyshire	0·1332	0·1332	0·0375	0·0367	0·0373	0·0383	0·0340
South Derbyshire	0·0393	0·0391	0·0156	0·0169	0·0172	0·0169	0·0141
West Derbyshire	0·0853	0·0823	0·0292	0·0281	0·0278	0·0279	0·0248
Total of Districts	1·0395	1·0136	0·3452	0·3510	0·3573	0·3630	0·3352
Devon							
East Devon	0·1167	0·1157	0·0407	0·0458	0·0453	0·0451	0·0422
Exeter	0·0751	0·0687	0·0349	0·0409	0·0407	0·0429	0·0422
North Devon	0·0985	0·0984	0·0330	0·0310	0·0312	0·0311	0·0290
Plymouth	0·2971	0·2768	0·1083	0·1099	0·1094	0·1117	0·1103
South Hams	0·0772	0·0745	0·0300	0·0311	0·0315	0·0316	0·0289
Teignbridge	0·1155	0·1135	0·0413	0·0413	0·0417	0·0415	0·0384
Mid Devon	0·0763	0·0735	0·0177	0·0210	0·0222	0·0212	0·0195
Torbay	0·0775	0·0776	0·0488	0·0493	0·0515	0·0523	0·0521
Torridge	0·0720	0·0710	0·0218	0·0222	0·0230	0·0232	0·0216
West Devon	0·0557	0·0565	0·0180	0·0144	0·0161	0·0161	0·0150
Total of Districts	1·0616	1·0262	0·3945	0·4069	0·4126	0·4167	0·3992
Dorset							
Bournemouth	0·0868	0·0847	0·0663	0·0672	0·0765	0·0777	0·0791
Christchurch	0·0239	0·0241	0·0138	0·0161	0·0174	0·0179	0·0160
North Dorset	0·0636	0·0623	0·0129	0·0157	0·0154	0·0161	0·0155
Poole	0·0729	0·0705	0·0462	0·0488	0·0491	0·0502	0·0461
Purbeck	0·0385	0·0357	0·0132	0·0144	0·0143	0·0139	0·0130
West Dorset	0·0977	0·0970	0·0312	0·0312	0·0303	0·0309	0·0301
Weymouth and Portland	0·0753	0·0748	0·0253	0·0276	0·0288	0·0288	0·0275
Wimborne	0·0643	0·0651	0·0275	0·0272	0·0275	0·0271	0·0244
Total of Districts	0·5230	0·5142	0·2364	0·2482	0·2593	0·2626	0·2517
Durham							
Chester le Street	0·0790	0·0794	0·0267	0·0277	0·0254	0·0260	0·0232
Darlington	0·1034	0·1027	0·0451	0·0421	0·0464	0·0445	0·0477
Derwentside	0·1385	0·1244	0·0396	0·0466	0·0482	0·0493	0·0471
Durham	0·1246	0·1281	0·0375	0·0358	0·0358	0·0374	0·0327
Easington	0·1813	0·1849	0·0603	0·0533	0·0545	0·0554	0·0519
Sedgefield	0·1645	0·1581	0·0592	0·0525	0·0528	0·0540	0·0459
Teesdale	0·0375	0·0364	0·0081	0·0090	0·0091	0·0091	0·0080
Wear Valley	0·1085	0·1089	0·0374	0·0359	0·0363	0·0364	0·0322
Total of Districts	0·9373	0·9229	0·3139	0·3029	0·3085	0·3121	0·2895
East Sussex							
Brighton	0·1127	0·1037	0·0884	0·0778	0·0931	0·0890	0·0997
Eastbourne	0·0388	0·0355	0·0365	0·0392	0·0428	0·0420	0·0499
Hastings	0·0787	0·0742	0·0407	0·0414	0·0441	0·0448	0·0434
Hove	0·0516	0·0532	0·0495	0·0538	0·0584	0·0576	0·0561
Lewes	0·0632	0·0623	0·0343	0·0347	0·0337	0·0342	0·0315
Rother	0·0661	0·0634	0·0356	0·0357	0·0393	0·0394	0·0367
Wealden	0·1320	0·1273	0·0471	0·0496	0·0448	0·0451	0·0423
Total of Districts	0·5431	0·5196	0·3321	0·3322	0·3562	0·3521	0·3596
Essex							
Basildon	0·1110	0·1096	0·0671	0·0620	0·0673	0·0305	0·0440

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
Braintree	0·1016	0·1003	0·0357	0·0345	0·0358	0·0362	0·0323
Brentwood	0·0328	0·0296	0·0234	0·0242	0·0231	0·0231	0·0186
Castle Point	0·0845	0·0869	0·0290	0·0304	0·0312	0·0334	0·0299
Chelmsford	0·0834	0·0812	0·0338	0·0480	0·0464	0·0468	0·0418
Colchester	0·1263	0·1231	0·0371	0·0463	0·0465	0·0474	0·0461
Epping Forest	0·0716	0·0674	0·0378	0·0484	0·0399	0·0399	0·0342
Harlow	0·0443	0·0419	0·0229	0·0169	0·0137	0·0142	0·0137
Maldon	0·0326	0·0308	0·0152	0·0153	0·0148	0·0149	0·0130
Rochford	0·0640	0·0612	0·0286	0·0267	0·0277	0·0283	0·0241
Southend on Sea	0·0863	0·0825	0·0814	0·0804	0·0867	0·0849	0·0807
Tendring	0·1094	0·1035	0·0498	0·0535	0·0558	0·0572	0·0531
Thurrock	0·0535	0·0456	0·0509	0·0226	0·0226	0·0234	0·0227
Uttlesford	0·0435	0·0419	0·0228	0·0228	0·0220	0·0215	0·0189
Total of Districts	1·0448	1·0055	0·5355	0·5320	0·5335	0·5017	0·4731
Gloucestershire							
Cheltenham	0·0516	0·0490	0·0327	0·0338	0·0365	0·0369	0·0357
Cotswold	0·0695	0·0684	0·0247	0·0244	0·0258	0·0260	0·0239
Forest of Dean	0·0957	0·0950	0·0243	0·0278	0·0258	0·0258	0·0245
Gloucester	0·0779	0·0758	0·0274	0·0314	0·0337	0·0343	0·0349
Stroud	0·1116	0·1096	0·0290	0·0321	0·0344	0·0340	0·0305
Tewkesbury	0·0750	0·0722	0·0230	0·0219	0·0225	0·0218	0·0196
Total of Districts	0·4813	0·4700	0·1611	0·1714	0·1787	0·1788	0·1691
Hampshire							
Basingstoke and Deane	0·1027	0·1050	0·0312	0·0400	0·0421	0·0420	0·0362
East Hampshire	0·0848	0·0834	0·0383	0·0388	0·0371	0·0359	0·0319
Eastleigh	0·0641	0·0648	0·0255	0·0289	0·0283	0·0287	0·0258
Fareham	0·0896	0·0893	0·0341	0·0325	0·0323	0·0322	0·0283
Gosport	0·0897	0·0868	0·0299	0·0336	0·0340	0·0344	0·0333
Hart	0·0782	0·0813	0·0240	0·0260	0·0257	0·0250	0·0209
Havant	0·1174	0·1195	0·0486	0·0486	0·0478	0·0493	0·0459
New Forest	0·0882	0·0896	0·0497	0·0538	0·0537	0·0516	0·0477
Portsmouth	0·1876	0·1831	0·1135	0·1031	0·1271	0·1143	0·1188
Rushmoor	0·0711	0·0708	0·0363	0·0346	0·0357	0·0345	0·0313
Southampton	0·1807	0·1683	0·0913	0·0938	0·0969	0·0974	0·0987
Test Valley	0·0842	0·0843	0·0300	0·0296	0·0287	0·0287	0·0248
Winchester	0·0776	0·0761	0·0295	0·0327	0·0315	0·0314	0·0275
Total of Districts	1·3159	1·3023	0·5819	0·5960	0·6209	0·6054	0·5711
Hereford and Worcester							
Bromsgrove	0·0754	0·0733	0·0239	0·0240	0·0249	0·0261	0·0227
Hereford	0·0378	0·0381	0·0107	0·0167	0·0172	0·0179	0·0163
Leominster	0·0503	0·0507	0·0120	0·0138	0·0142	0·0143	0·0130
Malvern Hills	0·0977	0·0995	0·0304	0·0307	0·0311	0·0318	0·0289
Redditch	0·0435	0·0452	0·0232	0·0224	0·0211	0·0220	0·0214
South Herefordshire	0·0609	0·0613	0·0148	0·0149	0·0158	0·0158	0·0143
Worcester	0·0394	0·0362	0·0216	0·0267	0·0273	0·0280	0·0262
Wychavon	0·0784	0·0788	0·0320	0·0307	0·0316	0·0318	0·0261
Wyre Forest	0·0882	0·0846	0·0354	0·0356	0·0348	0·0344	0·0274
Total of Districts	0·5716	0·5677	0·2040	0·2155	0·2180	0·2221	0·1963
Hertfordshire							
Broxbourne	0·0584	0·0568	0·0438	0·0379	0·0299	0·0290	0·0260
Dacorum	0·0637	0·0610	0·0319	0·0462	0·0455	0·0463	0·0398
East Hertfordshire	0·0823	0·0821	0·0351	0·0388	0·0378	0·0376	0·0316
Hertsmere	0·0407	0·0381	0·0405	0·0408	0·0275	0·0269	0·0220
North Hertsfordshire	0·0443	0·0422	0·0268	0·0339	0·0345	0·0352	0·0302
St. Albans	0·0629	0·0582	0·0318	0·0422	0·0418	0·0409	0·0361
Stevenage	0·0319	0·0292	0·0191	0·0221	0·0221	0·0202	0·0137
Three Rivers	0·0518	0·0485	0·0322	0·0268	0·0287	0·0285	0·0239
Watford	0·0346	0·0317	0·0351	0·0337	0·0309	0·0309	0·0251
Welwyn Hatfield	0·0377	0·0346	0·0205	0·0272	0·0253	0·0230	0·0193
Total of Districts	0·5083	0·4824	0·3168	0·3496	0·3240	0·3185	0·2677
Humberside							
Beverley	0·1177	0·1258	0·0310	0·0364	0·0396	0·0409	0·0370
Boothferry	0·0807	0·0888	0·0285	0·0304	0·0312	0·0317	0·0284
Cleethorpes	0·0690	0·0729	0·0300	0·0284	0·0310	0·0311	0·0338
Glanford	0·0646	0·0677	0·0226	0·0250	0·0273	0·0271	0·0255

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
Great Grimsby	0·0940	0·0960	0·0439	0·0436	0·0458	0·0468	0·0518
Holderness	0·0538	0·0565	0·0152	0·0167	0·0178	0·0184	0·0172
Kingston-upon-Hull	0·3350	0·3612	0·1538	0·1663	0·1721	0·1769	0·2149
East Yorkshire	0·1035	0·1078	0·0339	0·0355	0·0367	0·0373	0·0340
Scunthorpe	0·0480	0·0493	0·0363	0·0280	0·0355	0·0328	0·0262
Total of Districts	0·9663	1·0260	0·3952	0·4103	0·4370	0·4430	0·4688

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
Isle of Wight							
Medina	0·0826	0·0789	0·0250	0·0259	0·0267	0·0271	0·0258
South Wight	0·0623	0·0598	0·0220	0·0211	0·0220	0·0217	0·0206
Total of Districts	0·1449	0·1387	0·0470	0·0470	0·0487	0·0488	0·0464
Kent							
Ashford	0·0863	0·0808	0·0323	0·0314	0·0341	0·0347	0·0349
Canterbury	0·1400	0·1342	0·0529	0·0537	0·0554	0·0570	0·0525
Dartford	0·0906	0·0847	0·0462	0·0386	0·0388	0·0369	0·0286
Dover	0·1297	0·1244	0·0525	0·0483	0·0471	0·0468	0·0417
Gillingham	0·1064	0·1027	0·0342	0·0322	0·0339	0·0337	0·0349
Gravesham	0·0930	0·0922	0·0416	0·0395	0·0398	0·0396	0·0360
Maidstone	0·1387	0·1343	0·0494	0·0473	0·0479	0·0474	0·0428
Medway	0·1092	0·1087	0·0687	0·0556	0·0558	0·0548	0·0543
Sevenoaks	0·1295	0·1228	0·0394	0·0399	0·0414	0·0417	0·0358
Shepway	0·0832	0·0809	0·0414	0·0398	0·0423	0·0423	0·0387
Swale	0·1345	0·1273	0·0450	0·0408	0·0424	0·0430	0·0396
Thanet	0·1374	0·1355	0·0702	0·0672	0·0734	0·0734	0·0688
Tonbridge and Malling	0·0951	0·0907	0·0289	0·0312	0·0335	0·0332	0·0286
Tunbridge Wells	0·1090	0·1028	0·0351	0·0358	0·0385	0·0388	0·0354
Total of Districts	1·5826	1·5220	0·6378	0·6013	0·6243	0·6233	0·5726
Lancashire							
Blackburn	0·2215	0·2101	0·1042	0·1027	0·1087	0·1089	0·1135
Blackpool	0·1599	0·1557	0·0758	0·0756	0·0883	0·0876	0·0926
Burnley	0·1485	0·1418	0·0604	0·0571	0·0611	0·0618	0·0535
Chorley	0·1205	0·1160	0·0340	0·0339	0·0353	0·0367	0·0343
Fylde	0·0781	0·0719	0·0273	0·0287	0·0303	0·0306	0·0287
Hyndburn	0·1246	0·1187	0·0434	0·0439	0·0423	0·0424	0·0434
Lancaster	0·1685	0·1611	0·0560	0·0593	0·0609	0·0621	0·0567
Pendle	0·1453	0·1392	0·0492	0·0492	0·0484	0·0494	0·0456
Preston	0·1470	0·1360	0·0575	0·0618	0·0679	0·0694	0·0655
Ribble Valley	0·0718	0·0713	0·0219	0·0198	0·0199	0·0207	0·0182
Rossendale	0·1090	0·1037	0·0363	0·0348	0·0361	0·0366	0·0328
South Ribble	0·1312	0·1272	0·0333	0·0333	0·0287	0·0334	0·0312
West Lancashire	0·1276	0·1187	0·0446	0·0404	0·0396	0·0419	0·0372
Wyre	0·1252	0·1188	0·0433	0·0499	0·0495	0·0508	0·0472
Total of Districts	1·8787	1·7902	0·6872	0·6904	0·7170	0·7323	0·6995
Leicestershire							
Blaby	0·0833	0·0821	0·0224	0·0227	0·0230	0·0234	0·0216
Charnwood	0·1028	0·1031	0·0424	0·0431	0·0421	0·0415	0·0372
Harborough	0·0611	0·0607	0·0209	0·0202	0·0193	0·0192	0·0170
Hinckley and Bosworth	0·0810	0·0795	0·0225	0·0245	0·0246	0·0252	0·0221
Leicester	0·2310	0·2155	0·1414	0·1239	0·1224	0·1439	0·1647
Melton	0·0424	0·0439	0·0135	0·0147	0·0144	0·0146	0·0125
North West Leicester	0·0724	0·0731	0·0244	0·0247	0·0250	0·0250	0·0215
Oadby and Wigston	0·0493	0·0476	0·0134	0·0172	0·0163	0·0169	0·0153
Rutland	0·0329	0·0340	0·0084	0·0102	0·0095	0·0096	0·0086
Total of Districts	0·7572	0·7385	0·3093	0·3012	0·2966	0·3193	0·3205
Lincolnshire							
Boston	0·0590	0·0569	0·0191	0·0219	0·0227	0·0239	0·0219
East Lindsey	0·1188	0·1140	0·0372	0·0420	0·0419	0·0395	0·0364
Lincoln	0·0760	0·0721	0·0297	0·0309	0·0344	0·0353	0·0370
North Kesteven	0·1097	0·1056	0·0260	0·0267	0·0265	0·0266	0·0238
South Holland	0·0827	0·0796	0·0287	0·0278	0·0281	0·0283	0·0248
South Kesteven	0·1115	0·1082	0·0331	0·0354	0·0352	0·0357	0·0320
West Lindsey	0·1067	0·1067	0·0288	0·0282	0·0256	0·0271	0·0241

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
Total of Districts	0·6644	0·6431	0·2026	0·2129	0·2144	0·2164	0·2000
Norfolk							
Breckland	0·1053	0·1035	0·0300	0·0290	0·0308	0·0316	0·0281
Broadland	0·1116	0·1107	0·0286	0·0312	0·0315	0·0320	0·0293
Great Yarmouth	0·0710	0·0683	0·0332	0·0349	0·0368	0·0344	0·0405
North Norfolk	0·0832	0·0816	0·0307	0·0325	0·0364	0·0368	0·0350
Norwich	0·0423	0·0410	0·0567	0·0385	0·0441	0·0469	0·0404
South Norfolk	0·1092	0·1084	0·0343	0·0322	0·0310	0·0318	0·0289
Kings Lynn and West Norfolk	0·1132	0·1159	0·0429	0·0423	0·0449	0·0455	0·0398
Total of Districts	0·6358	0·6294	0·2564	0·2406	0·2555	0·2590	0·2420
Northamptonshire							
Corby	0·0335	0·0292	0·0198	0·0203	0·0227	0·0218	0·0191
Daventry	0·0420	0·0430	0·0125	0·0160	0·0157	0·0158	0·0133
East Northampton	0·0694	0·0693	0·0156	0·0185	0·0191	0·0198	0·0184
Kettering	0·0831	0·0830	0·0335	0·0284	0·0306	0·0318	0·0286
Northampton	0·0947	0·0912	0·0712	0·0707	0·0707	0·0673	0·0769
South Northampton	0·0681	0·0688	0·0189	0·0207	0·0197	0·0201	0·0185
Wellingborough	0·0638	0·0647	0·0215	0·0222	0·0233	0·0244	0·0213
Total of Districts	0·4546	0·4492	0·1930	0·1968	0·2018	0·2010	0·1961
Northumberland							
Alnwick	0·0438	0·0421	0·0138	0·0127	0·0142	0·0141	0·0139
Berwick-upon-Tweed	0·0359	0·0351	0·0085	0·0102	0·0110	0·0108	0·0102
Blyth Valley	0·1180	0·1215	0·0435	0·0427	0·0438	0·0425	0·0402
Castle Morpeth	0·0573	0·0555	0·0163	0·0170	0·0167	0·0168	0·0147
Tynedale	0·0726	0·0726	0·0218	0·0185	0·0200	0·0212	0·0188
Wansbeck	0·0725	0·0743	0·0259	0·0219	0·0260	0·0256	0·0221
Total of Districts	0·4001	0·4011	0·1298	0·1230	0·1317	0·1310	0·1199
North Yorkshire							
Craven	0·0633	0·0635	0·0173	0·0184	0·0186	0·0187	0·0166
Hambleton	0·0926	0·0934	0·0217	0·0227	0·0237	0·0240	0·0215
Harrogate	0·1566	0·1560	0·0559	0·0569	0·0603	0·0599	0·0500
Richmondshire	0·0608	0·0637	0·0176	0·0167	0·0174	0·0179	0·0163
Ryedale	0·1131	0·1146	0·0246	0·0273	0·0279	0·0289	0·0264
Scarborough	0·1311	0·1283	0·0448	0·0483	0·0502	0·0496	0·0474
Selby	0·0401	0·0472	0·0187	0·0175	0·0168	0·0161	0·0124
York	0·1194	0·1219	0·0388	0·0485	0·0457	0·0467	0·0472
Total of Districts	0·7770	0·7886	0·2394	0·2563	0·2606	0·2618	0·2378
Nottinghamshire							
Ashfield	0·1322	0·1319	0·0436	0·0384	0·0413	0·0414	0·0370
Bassetlaw	0·0536	0·0516	0·0273	0·0227	0·0226	0·0199	0·0133
Broxtowe	0·1054	0·1028	0·0398	0·0373	0·0391	0·0391	0·0374
Gedling	0·1205	0·1126	0·0329	0·0388	0·0420	0·0421	0·0387
Mansfield	0·1366	0·1259	0·0550	0·0530	0·0532	0·0557	0·0520
Newark-Sherwood	0·1130	0·1106	0·0359	0·0352	0·0370	0·0371	0·0327
Nottingham	0·2275	0·2132	0·1245	0·1291	0·1483	0·1483	0·1659
Rushcliffe	0·0731	0·0692	0·0269	0·0267	0·0280	0·0271	0·0232
Total of Districts	0·9619	0·9178	0·3859	0·3812	0·4115	0·4107	0·4002
Oxfordshire							
Cherwell	0·0943	0·0906	0·0331	0·0309	0·0320	0·0324	0·0299
Oxford	0·0649	0·0625	0·0473	0·0461	0·0455	0·0521	0·0544
South Oxfordshire	0·1329	0·1292	0·0386	0·0394	0·0389	0·0397	0·0358
Vale of White Horse	0·0534	0·0461	0·0205	0·0234	0·0246	0·0249	0·0227
West Oxfordshire	0·0872	0·0842	0·0245	0·0234	0·0248	0·0279	0·0251
Total of Districts	0·4327	0·4126	0·1640	0·1632	0·1658	0·1770	0·1681
Shropshire							
Bridgnorth	0·0516	0·0503	0·0129	0·0141	0·0153	0·0155	0·0143
North Shropshire	0·0660	0·0667	0·0162	0·0173	0·0186	0·0200	0·0171
Oswestry	0·0411	0·0422	0·0096	0·0114	0·0115	0·0117	0·0109
Shrewsbury and Atcham	0·0733	0·0730	0·0238	0·0280	0·0290	0·0298	0·0263

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
South Shropshire	0·0476	0·0479	0·0[illegible]	0·0134	0·0143	0·0155	0·0132
The Wrekin	0·1321	0·1395	0·0570	0·0566	0·0555	0·0540	0·0480
Total of Districts	0·4117	0·4196	0·1348	0·1408	0·1442	0·1465	0·1298
Somerset							
Mendip	0·1054	0·1053	0·0255	0·0278	0·0289	0·0294	0·0269
Sedgemoor	0·1044	0·1027	0·0308	0·0330	0·0341	0·0339	0·0304
Taunton Dene	0·0981	0·0930	0·0321	0·0324	0·0330	0·0343	0·0314
West Somerset	0·0084	0·0079	0·0113	0·0102	0·0113	0·0105	0·0100
South Somerset	0·1539	0·1492	0·0377	0·0418	0·0434	0·0441	0·0415
Total of Districts	0·4702	0·4581	0·1374	0·1452	0·1507	0·1522	0·1402
Staffordshire							
Cannock Chase	0·0868	0·0831	0·0292	0·0284	0·0294	0·0298	0·0271
East Staffordshire	0·0875	0·0833	0·0263	0·0328	0·0336	0·0346	0·0319
Lichfield	0·0812	0·0803	0·0220	0·0242	0·0257	0·0261	0·0225
Newcastle under Lyme	0·1553	0·1549	0·0412	0·0438	0·0458	0·0469	0·0418
South Staffordshire	0·1042	0·1014	0·0289	0·0317	0·0293	0·0293	0·0256
Stafford	0·1037	0·0992	0·0336	0·0409	0·0390	0·0378	0·0329
Staffs. Moorlands	0·1276	0·1233	0·0245	0·0286	0·0320	0·0324	0·0276
Stoke-on-Trent	0·2787	0·2815	0·0853	0·1014	0·1040	0·1020	0·0999
Tamworth	0·0734	0·0766	0·0297	0·0253	0·0257	0·0267	0·0262
Total of Districts	1·0984	1·0836	0·3207	0·3571	0·3645	0·3656	0·3355
Suffolk							
Babergh	0·0739	0·0745	0·0303	0·0290	0·0273	0·0272	0·0246
Forest Heath	0·0649	0·0714	0·0214	0·0206	0·0227	0·0221	0·0191
Ipswich	0·0810	0·0813	0·0440	0·0465	0·0513	0·0511	0·0526
Mid Suffolk	0·0804	0·0830	0·0244	0·0258	0·0259	0·0254	0·0231
St. Edmundsbury	0·0766	0·0794	0·0252	0·0263	0·0279	0·0281	0·0259
Suffolk Coastal	0·0959	0·0980	0·0314	0·0336	0·0343	0·0345	0·0315
Waveney	0·1174	0·1218	0·0451	0·0462	0·0469	0·0478	0·0456
Total of Districts	0·5901	0·6094	0·2218	0·2280	0·2363	0·2362	0·2224
Surrey							
Elmbridge	0·0478	0·0440	0·0482	0·0451	0·0347	0·0321	0·0303
Epsom and Ewell	0·0448	0·0445	0·0376	0·0367	0·0273	0·0267	0·0217
Guildford	0·0411	0·0379	0·0409	0·0368	0·0361	0·0340	0·0299
Mole Valley	0·0471	0·0450	0·0267	0·0235	0·0233	0·0230	0·0191
Reigate and Banstead	0·0683	0·0653	0·0404	0·0422	0·0354	0·0340	0·0290
Runnymede	0·0668	0·0433	0·0254	0·0208	0·0211	0·0208	0·0176
Spelthorne	0·0304	0·0280	0·0377	0·0372	0·0292	0·0190	0·0184
Surrey Heath	0·0373	0·0353	0·0221	0·0242	0·0229	0·0219	0·0179
Tandridge	0·0789	0·0771	0·0217	0·0229	0·0220	0·0232	0·0206
Waverley	0·0862	0·0834	0·0391	0·0357	0·0358	0·0359	0·0300
Woking	0·0385	0·0313	0·0363	0·0337	0·0361	0·0345	0·0306
Total of Districts	0·5677	0·5351	0·3761	0·3588	0·3239	0·3051	0·2651
Warwickshire							
North Warwickshire	0·0472	0·0533	0·0214	0·0195	0·0195	0·0196	0·0167
Nuneaton and Bedworth	0·1429	0·1407	0·0542	0·0514	0·0512	0·0499	0·0425
Rugby	0·0841	0·0827	0·0281	0·0293	0·0299	0·0305	0·0264
Stratford-on-Avon	0·0788	0·0767	0·0302	0·0340	0·0333	0·0336	0·0283
Warwick	0·0810	0·0814	0·0428	0·0425	0·0413	0·0398	0·0361
Total of Districts	0·4340	0·4348	0·1767	0·1767	0·1752	0·1734	0·1500
West Sussex							
Adur	0·0483	0·0459	0·0211	0·0204	0·0220	0·0219	0·0175
Arun	0·1039	0·1026	0·0579	0·0576	0·0586	0·0597	0·0549
Chichester	0·0838	0·0811	0·0412	0·0423	0·0424	0·0413	0·0370
Crawley	0·0239	0·0225	0·0104	0·0106	0·0122	0·0126	0·0123
Horsham	0·0842	0·0825	0·0335	0·0343	0·0355	0·0367	0·0319
Mid Sussex	0·0946	0·0943	0·0400	0·0404	0·0391	0·0409	0·0328
Worthing	0·0615	0·0615	0·0474	0·0480	0·0512	0·0521	0·0475
Total of Districts	0·5002	0·4904	0·2515	0·2536	0·2610	0·2652	0·2339
Wiltshire							
Kennet	0·0885	0·0926	0·0224	0·0218	0·0221	0·0228	0·0208

	1979-80 Final	1980-81 Final	1981-82 Final	1982-83 2nd supplementary report	1983-84 3rd supplementary report	1984-85 2nd supplementary report	1985-86 settlement
North Wiltshire	0·1339	0·1426	0·0334	0·0335	0·0330	0·0327	0·0333
Salisbury	0·1064	0·1074	0·0281	0·0296	0·0310	0·0336	0·0294
Thamesdown	0·1628	0·1686	0·0688	0·0609	0·0542	0·0481	0·0435
West Wiltshire	0·1077	0·1140	0·0298	0·0296	0·0304	0·0307	0·0286
Total of Districts	0·5993	0·6252	0·1825	0·1754	0·1707	0·1679	0·1556
Met Police PA	0·0000	0·0000	0·0000	0·0000	1·5035	1·5570	1·5670

Council Housing

Mr. Dubs asked the Secretary of State for the Environment what is his latest estimate of the number of empty council houses and flats which are for sale.

Sir George Young: According to local authorities' most recent housing investment programme returns, at 1 April 1984, 5,600 empty dwellings were awaiting sale, 400 were undergoing repair or improvement for sale, and 600 were awaiting repair or improvement for sale.

Performing Arts (Manchester)

Mr. Tony Lloyd asked the Secretary of State for the Environment when the hon. Member for Stretford may expect a reply from the Parliamentary Under-Secretary of State, the hon. Member for Ealing, Acton (Sir G. Young) to his letter of 25 February concerning the performing arts in Greater Manchester.

Sir George Young: I shall be replying very shortly. I regret the delay.

EC (Environmental Policy)

Mr. Arnold asked the Secretary of State for the Environment what action he is taking in the EC to promote a common approach to environmental issues.

Mr. Waldegrave: In the Council of Environment Ministers, where I represent the United Kingdom, it is my prime concern to see that a common approach is adopted where action at Community level is justified. This involves being satisfied that there is a sound scientific basis for proposed measures and that their costs and likely benefits are fully assessed. The Government have endorsed a number of important principles within the Community: that there should be an environmental dimension to other Community policies; that prevention is preferable to cure; that due regard should be paid to the "polluter pays principle" and that Community legislation should be effectively implemented. The varying environmental conditions and practices of individual member states and the need to avoid environmental policy being used to attempt to set up barriers to trade are also crucial. These considerations apply both when we respond to draft legislation from the Commission and when we put forward our own proposals, such as our successful initiatives on unleaded petrol and the introduction of a new emphasis on conservation in the common agricultural policy. Increasingly, with our partners in the Community, we are seeking better ways of working together in co-operation with countries outside the Community, especially in helping to tackle the environmental problems of developing countries.

Local Authorities (Land Holdings)

Mr. Batiste asked the Secretary of State for the Environment what is the proportion of the total area of freehold land in the United Kingdom which is owned by local authorities in *(a)* England, *(b)* Yorkshire and Humberside region, *(c)* West Yorkshire and *(d)* Leeds.

Mr. Macfarlane: This information is not held centrally.

Asbestos

Mr. Tom Clarke asked the Secretary of State for the Environment whether, before placing a contract for the transport of asbestos from Faslane to Glenboig, the Property Services Agency sought the advice of Monklands district council or Glenboig community council; and if he will make a statement.

Sir George Young: No. The Property Services Agency satisfied itself that its chosen contractor would remove the asbestos waste to a suitable tip licensed for such a purpose by a local authority.

Regal Cinema, Edmonton

Mr. Faulds asked the Secretary of State for the Environment whether he will consider the listing of the Regal cinema, Edmonton, as a building of architectural and historic interest which is presently under the threat of demolition.

Mr. Macfarlane: The Historic Buildings and Monuments Commission for England, which is the statutory adviser to my right hon. Friend in these matters, has advised that the Regal cinema, Edmonton, does not possess sufficient special architectural or historic interest. My right hon. Friend has accepted this advice, and does not therefore intend to list the cinema.

Broad Street Station

Mr. Faulds asked the Secretary of State for the Environment whether he will consider the listing of Broad street station as a building of architectural and historic interest; and whether he has received any representations from the Historic Buildings and Monuments Commission for England on this issue.

Mr. Macfarlane: The Historic Buildings and Monuments Commission for England wrote to the Department on 5 March this year to advise that in its opinion Broad street station was of a quality to be listed in grade II. However, the question of listing this building had been considered previously in 1971, 1975 and 1981. On each occasion it was decided that the building was not

of sufficient special architectural or historic interest to warrant listing. My right hon. Friend studied the arguments of the commission but concluded that these did not justify reversing previous decisions. The commission was informed of this on 22 April.

Management Consultancy Contracts

Mr. Mates asked the Secretary of State for the Environment if he will list the contracts, with the subject of assignment, awarded to management consultancy firms by his Department in 1984, with the name of the consultants concerned.

Mr. Patrick Jenkin: I shall provide the information as soon as our current survey of consultancy contracts let in the financial year 1984-85 is completed.

Structure Plans

Mr. Steel asked the Secretary of State for the Environment what representations he has received about the north-east Hampshire structure plan; and what proportion of these were against the plan.

Mr. Patrick Jenkin: I have received approximately 130 objections and representations from some 60 organisations and individuals on proposals for alterations to the north-east Hampshire structure plan submitted to me by the Hampshire county council. Approximately 120 objections were made to various aspects of the proposed alterations.

Mr. Steel asked the Secretary of State for the Environment if he will make a statement on the report of the examination in public into the north-east Hampshire structure plan; and when this report and the Secretary of State's comments on it will be made public.

Mr. Patrick Jenkin: I have received the report on the examination in public into proposed alterations to the north-east Hampshire structure plan. Full consideration is being given to all the recommendations in the report. I hope that the report and proposed modifications to the alterations will be published early in June.

Fly Posting

Mr. Batiste asked the Secretary of State for the Environment what plans he has to combat the growth of unauthorised fly posting.

Mr. Macfarlane: Unauthorised "fly-posting" is an offence which is open to prosecution by the local planning authority, under section 109 of the Town and Country Planning Act 1971. Since July 1982 district councils and London boroughs have also had power, under section 109A of the 1971 Act, to remove or obliterate any illegally displayed placard or poster after giving two days' notice of their intention to do so. Guidance about dealing effectively with "fly-posting" is given in paragraphs 39 to 41 of the annex to my Department's circular No. 11/84, which was issued to all local authorities on 9 April last year.

House Repairs (Warranty Scheme)

Mr. Rooker asked the Secretary of State for the Environment if he will make a statement on progress made so far in respect of a warranty scheme for the repair of homes covered by the Housing Defects Act; and if he will indicate the steps which have been taken to ensure that the warranty will be acceptable to the building societies.

Mr. Gow: On 2 May the executive committee of the National House Building Council approved the arrangements for the scheme. Its subsidiary formed specifically for the purpose ("PRC Homes Limited") will invite designers and builders to submit systems of repair of precast reinforced concrete houses for approval. This approval will mean that local authorities, lending institutions and, most important, the owners can be satisfied that the system of repair has been examined carefully by technical experts, that the carrying out of the repair will be supervised closely by qualified engineers or surveyors and that the builders responsible for the work are reliable and reputable. In addition to all of these safeguards the scheme will provide insurance cover for 10 years against major structural defects arising from the failure of the repair. The Building Societies Association has participated in the setting up of the arrangements and I am confident that houses repaired under the scheme will prove acceptable to building societies generally.

I hope that the first approvals of repair schemes can be given this summer and that the first repairs to PRC houses under the scheme can be completed before the winter. My Department will be writing to the local authority associations and to individual local authorities, to explain how the arrangements under this scheme relate to the overall administration by local authorities, of assistance to owners under the Housing Defects Act 1984.

I record my thanks to the National House Building Council and to the Building Societies Association for their sustained help, without which this novel scheme would not have been introduced.

Conservation Orders

Dr. David Clark asked the Secretary of State for the Environment if he will list in date order the requests from the Nature Conservancy Council for section 29 conservation orders he has received since 1 January; and which have so far not been granted or approved by him.

Mr. Waldegrave: I shall write to the hon. Member with this information.

Block Grant

Mr. Silvester asked the Secretary of State for the Environment, pursuant to the answer of 1 May to the hon. Member for Manchester, Withington, if he will indicate which local authorities there listed are to have their block grant reduced because their expenditure is above target, and for each of those authorities the grant per head that has been forgone.

Mr. Waldegrave: Although proposals for the basis of block grant reductions in 1985-86 were made in the main rate support grant report approved on 16 January, the reductions cannot be made until all authorities' budgets have been received and analysed. This is still in progress. The necessary recalculations will as usual be incorporated in a supplementary report to be laid before the House for approval in July.

Swans (Lead Poisoning)

Mr. Kenneth Carlisle asked the Secretary of State for the Environment if he will make available in the Library the advice he has received from the Nature Conservancy Council on the subject of anglers' lead weights and the lead poisoning of mute swans.

Mr. Waldegrave: I shall arrange for a copy of this report to be placed in the Library of the House. I am currently considering the NCC's findings and will make a statement shortly.

Council House Sales

Mr. Powley asked the Secretary of State for the Environment whether he intends to continue with the special arrangements under which tenants of Norwich city council are currently exercising the right to buy their homes; and if he will make a statement.

Mr. Gow: Norwich city council has been processing right-to-buy applications from its tenants for the sale of council houses under the terms of a consent given by my right hon. Friend the present Secretary of State for Defence following his decision to serve notice of intervention on the council on 3 December 1981. These arrangements, under which more than 2,000 tenants have purchased their homes, have been kept under review. My right hon. Friend the Secretary of State for the Environment has concluded that, in view of the council's progress with the right to buy and the assurances given by the council about its future practices and performance, the notice of intervention should be removed.

My Department has given the council today a notice of withdrawal of intervention under which the specific timetables and processing arrangements set out in the terms of the consent will not apply to applications submitted after the notice of withdrawal has effect. Norwich city council, as with other local authorities, will continue to be subject to the statutory requirements of the Housing Act 1980 and the Housing and Building Control Act 1984 in its conduct of the right to buy. The removal of the notice of intervention makes no difference to the right of tenants of the council to purchase their homes or to make representations to the council or my Department if they feel they are being unfairly treated.

Housing and Construction Industry

Mr. Sean Hughes asked the Secretary of State for the Environment how many people work in the public and private sector, respectively, of the housing and construction industry.

Sir George Young: In 1984 there were some 1,055,000 employees working in the building and construction industry, 256,000 of whom were employed by public authorities. In addition, an estimated 463,000 self-employed persons were working in the industry.

Mr. Sean Hughes asked the Secretary of State for the Environment what was the total number of man-weeks worked in the housing and construction industry during the last 12 months for which figures are available differentiating between the public and private sectors.

Sir George Young: This information is not available centrally.

Local Authorities (Building and Repair Work)

Mr. Sean Hughes asked the Secretary of State for the Environment what percentage of local authority housing, construction and repair work is carried out under contract to private firms.

Sir George Young: The Chartered Institute of Public Finance and Accountancy publication "Direct Labour Organisations Statistics 1982-83 Actuals" gives details of the amount of building construction and maintenance work carried out by authorities' own employees and by outside constractors respectively. The figures do not, however, distinguish between housing and other work.

New Towns and Housing Associations (Grants)

Mr. Sean Hughes asked the Secretary of State for the Environment if he will express total central Government subsidies to local authority and new towns' housing and housing associations as a percentage of total general subsidies to housing for each year since 1979-80.

Sir George Young: Central Government subsidies to local authority and new town housing and current and capital grants to housing associations are given in the table for the United Kingdom.

Estimates of amounts of other forms of Government support for housing costs were given in answer to my hon. Friend the Member for Kensington (Sir B. Rhys Williams) by my right hon. Friend the Prime Minister on 20 March, at column 505.

	*Central Government subsidies to Local Authority and new town housing** *£ million*	*Grants to† housing associations* *£ million*
1979-80	1,828	577
1980-81	2,029	587
1981-82	1,437	561
1982-83	940	687
1983-84	656	1,110

* Including subsidies to Scottish Special Housing Association and Northern Ireland Housing Executive.

† Including revenue deficit grant and housing association grant.

Departmental Furniture

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the answer of 15 April, *Official Report*, column 111, what were the individual costs of the three-piece suites purchased for Ministers' offices in his Department in 1983-84 and 1984-85, and the desk set purchased in 1983-84.

Sir George Young: The individual costs were as follows:

	1983-84 *£*	*1984-85* *£*
3 piece suites	1,469	1,713
	750	
Desk Set	130	

Crown Suppliers

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the answer of 28 March, *Official*

Report, column 333, what has been the total cost in each of the past five years of the cars operated by the Crown Suppliers.

Sir George Young: A breakdown of the cost of cars as opposed to other vehicles in the Crown Suppliers' self-drive fleet cannot be provided within the time available. The total fleet budget for the years in question were:

	£
1980-81	6,019,170
1981-82	6,286,546
1982-83	6,737,677
1983-84	6,663,244
1984-85	7,744,018

House Building

Mr. Sean Hughes asked the Secretary of State for the Environment how many permanent new dwellings were *(a)* started in the public and private sector, respectively, in England in 1984-85, *(b)* under construction and *(c)* completed.

Sir George Young: The provisional figures are as follows:

England: Financial Year 1984-85

Thousand dwellings

	Public Sector	*Private Sector*
Started	30·7	129·8
Completed	40·6	129·7
Under Construction at 31 March 1985	48·7	201·0

Public Sector Housing (Renovation)

Mr. Sean Hughes asked the Secretary of State for the Environment how many public sector house renovations were completed in 1984-85.

Sir George Young: Provisional public sector renovations completed in the first nine months of 1984-85 were published in table 2.13 of "Housing and Construction Statistics Part 2, No. 20". A copy is in the Library.

Mr. Sean Hughes asked the Secretary of State for the Environment what was the average cost per dwelling of a public sector renovation scheme in the last 12 months for which figures are available.

Sir George Young: The provisional average cost for 1984 is slightly below £7,000 for English public sector dwellings.

Rent Acts

Mr. Tony Banks asked the Secretary of State for the Environment when he expects to be in a position to announce the outcome of his Department's review of the Rent Acts.

Sir George Young: I refer the hon. Member to the answer which my hon. Friend the Minister for Housing and Construction gave to my hon. Friend the Member for Southampton, Itchen (Mr. Chope) on 13 March at column 144.

Rates

Lord James Douglas-Hamilton asked the Secretary of State for the Environment (1) what are the average rates payments for *(a)* domestic ratepayers, *(b)* commercial ratepayers and *(c)* industrial ratepayers for each local authority in England;

(2) what is the average increase in rates for each local authority in England; and if he will publish a table;

(3) what is the average increase in the rate poundage, in each local authority of England of *(a)* domestic ratepayers, *(b)* commercial ratepayers and *(c)* industrial ratepayers; and if he will publish a table or tables;

(4) what is the present average rateable value in each local authority in England of *(a)* domestic ratepayers, *(b)* commercial ratepayers and *(c)* industrial ratepayers; and if he will publish a table.

Mr. Waldegrave: I shall answer these questions shortly.

London Docklands Development Corporation

Mr. Tony Banks asked the Secretary of State for the Environment if he will list the total value of contracts and the number of consultants retained by the London Docklands Development Corporation in each year since its creation.

Sir George Young [*pursuant to his reply*, 29 April 1985, c. *32*]: The information requested is as follows:

Year	*Number of firms engaged*	*Payments £ million*
1981-82 (9 months)	37	1·434
1982-83	155	5·056
1983-84	146	9·235
1984-85	168	9·6

Royal Docks (STOLport)

Sir Geoffrey Finsberg asked the Secretary of State for the Environment if his Department has evaluated the effect of the development of a STOLport in the royal docks area on the willingness of foreign investors to establish businesses in the area.

Sir George Young [*pursuant to his reply*, 3 May 1985, c. *257*]: The London Docklands Development Corporation, in its evidence to the public local planning inquiry into the STOLport development, provided information on its potential for attracting investment generally to the royal docks and surrounding area, although the question of foreign investment was not specifically examined.

Conservation

Dr. Cunningham asked the Secretary of State for the Environment when he received the request from the Nature Conservancy Council for a section 29 conservation order to be applied on land within Ferry Ford farm, Staffordshire; and when he expects to sign the order.

Mr. Patrick Jenkin [*pursuant to his reply*, 3 May 1985, c. *257*]: I was first formally alerted by the Nature Conservancy Council to the need for an order on 3 April. After subsequent receipt of full details of the case for an order, and the completion of essential consultations, the order was duly made on 1 May 1985.

Dr. Cunningham asked the Secretary of State for the Environment when he expects to list as a European

Commission birds directive special protection area and Ramsar convention site the following estuaries: *(a)* Morecambe Bay, *(b)* River Orwell, Suffolk, and *(c)* the Wash.

Mr. Patrick Jenkin [*pursuant to his reply*, 3 May 1985, c. *257*]: The listing of sites under the EC Birds directive and the Ramsar convention is linked to the renotification programme for sites of special scientific interest, which is expected to be substantially complete by the end of 1986. The Wash has been renotified as a SSSI but it would be inappropriate to reach a decision about its listing in advance of agreement on a strategy for the area.

Asbestos Dumping (Glenboig)

Mr. Tom Clarke asked the Secretary of State for the Environment when the hon. Member for Monklands, West can expect to receive a letter from his Department regarding details of the dumping of asbestos at Glenboig, as promised in the answer by his right hon. Friend the Minister of State for the Armed Forces, of 25 April, *Official Report*, column *520*.

Sir George Young: I have written to the hon. Member today.

Bloodstock Breeders

Mr. Latham asked the Secretary of State for the Environment what progress he has made in his consideration of the representations made to him by representatives of bloodstock breeders to introduce early legislation to reverse the Whitsbury Manor Stud decision in advance of a hearing before the Court of Appeal; and when he intends to announce his decision on this specific request.

Mr. Waldegrave: I have considered the representations carefully. I understand that the Court of Appeal will be considering this case in the near future. I shall await its decision before deciding what action, if any, would be justified.

Butterflies

Dr. David Clark asked the Secretary of State for the Environment if he will list those species of butterflies found in the United Kingdom which the Nature Conservancy Council regards as having significantly or substantially declined or as threatened or endangered.

Mr. Waldegrave: I am advised by the Nature Conservancy Council that out of a total British list of 55 resident breeding species, one—the large blue—became extinct in 1979, 10 more are regarded as vulnerable or endangered, and 13 have declined in numbers and become less widespread since 1960 because of contraction of their habitats. The species affected are as follows:

Butterfly species	*State of species*
Adonis Blue	vulnerable
Brown Hairstreak	declining
Chalkhill Blue	declining
Chequered Skipper	declining
Dark Green Fritillary	declining
Dingy Skipper	declining
Duke of Burgundy	vulnerable
Grayling	declining
Grizzled Skipper	declining
Heath Fritillary	vulnerable
High Brown Fritillary	vulnerable
Large Blue	extinct
Large Tortoiseshell	endangered
Marbled White	declining
Marsh Fritillary	vulnerable
Pearl-bordered Fritillary	declining
Purple Emperor	declining
Silver-spotted Skipper	vulnerable
Silver-studded Blue	vulnerable
Silver-washed Fritillary	declining
Small Blue	declining
Small Pearl-bordered	declining
White-letter Hairstreak	vulnerable
Wood White	vulnerable

Ministerial Cars

Mr. Tony Banks asked the Secretary of State for the Environment if he will provide details by individual Ministers in his Department of the costs for ministerial cars in each year since 1980-81.

Sir George Young: I shall answer this question shortly.

Local Government Expenditure

Mr. Tony Banks asked the Secretary of State for the Environment why he will not express in numerical form the number of relevant representations he has received relating to section 7 of the Local Government (Interim Provisions) Act 1984.

Mr. Waldegrave: A precise figure could not be provided, since not all of the numerous representations received are in writing, and it is not always clear whether representations relate specifically to section 7 or to applications for consent under that section.

Mr. Tony Banks asked the Secretary of State for the Environment how many representations have been received from prospective purchasers of properties for which consent had been sought under section 8 of the Local Government (Interim Provisions) Act 1984.

Mr. Waldegrave: Numerous representations have been received, a significant proportion of which were made by telephone. Many involved transactions for which no application for consent had been received from the authority concerned.

Mr. Tony Banks asked the Secretary of State for the Environment if he will give details of the measures he is taking to ensure that all consent applications under section 8 of the Local Government (Interim Provisions) Act 1984 are processed within one month of submission.

Mr. Waldegrave: Sufficient staff and other resources will continue to be deployed to ensure that all applications are considered expeditiously on their individual merits.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to his answer of 29 April, *Official Report*, column 39, what further information was requested from the Greater London council in respect of the three outstanding consent applications under section 8 of the Local Government (Interim Provisions) Act 1984; and when the additional information was sought.

Mr. Waldegrave: Letters requesting further information were sent to the Greater London council on 10 October 1984, 17 December 1984 and 29 January 1985. Copies are in the Library.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the answer of 29 April, *Official Report*, column 35, when consents were sought under section 7 of the Local Government (Interim Provisions) Act 1948 in respect of the following organisations: *(a)* the Women's Peace Bus, *(b)* the London Lesbian and Gay Centre, *(c)* Interights, *(d)* Spare Rib and *(e)* Searchlight; and what is the reason for the delay in processing each case.

Mr. Waldegrave: The applications for consent were received from the Greater London council on 11 March 1985. Each needs to be considered carefully and on its merits. A decision has now been issued in respect of the London Lesbian and Gay Centre. The council has been asked to supply further information about the proposed grant to Searchlight Publishing Ltd.

Local Authorities (Advertising)

Mr. Tony Banks asked the Secretary of State for the Environment how many members of the public have made representations in writing or by other means to his Department about the level of advertising by local authorities.

Mr. Waldegrave: I shall write to the hon. Member.

Whale and Turtle Products

Mr. Tony Banks asked the Secretary of State for the Environment if he will seek powers to ban imports of all whale and turtle products.

Mr. Waldegrave: EC Regulation 3626/82, which has implemented the convention on international trade in endangered species of wild fauna and flora within the European Community since 1 January 1984, already bans the import of whale and sea turtle products for commercial purposes. Only limited exemptions to the ban may be granted by my Department under the provisions of these regulations.

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to the answers of 29 April, *Official Report*, columns 35 and 36, if he will list the individuals or organisations which took up import permits for whale and turtle products in each of the years since 1979.

Mr. Waldegrave: I shall write to the hon. Member shortly.

OVERSEAS DEVELOPMENT

International Year of Shelter for the Homeless

Mr. Boyes asked the Secretary of State for Foreign and Commonwealth Affairs what action Her Majesty's Government propose to take in response to the United Nations proclamation of 1987 as the International Year of Shelter for the Homeless.

Mr. Raison: The Government endorsed the United Nations resolution which instigated activity on behalf of the homeless in developing countries. The United Nations Commission for Human Settlement has been told that we will be pleased to consider funding, under aid programme arrangements, appropriate projects submitted by developing countries.

Countries have been asked to nominate, as a special contribution to the year, projects which are now being implemented which will be operational by 1987. We plan to nominate two such projects but agreement to do so is currently being sought from the recipient countries.

PRIME MINISTER

Dublin Council of Ministers

Q14. **Mr. Teddy Taylor** asked the Prime Minister if she is satisfied with the manner in which the decisions of the Dublin Council of Ministers have been implemented, with particular reference to the distribution of food aid by the European Economic Community; and if she will make a statement.

The Prime Minister: Progress in distributing the 1·2 million tonnes of food aid pledged at Dublin for countries affected by famine in Africa has been slower than I would have wished. 230,000 tonnes will be delivered by the European Commission and 376,100 tonnes by the member states to the countries most seriously affected in the first half of 1985, although some may arise from pledges made before Dublin.

Bridges and Estuaries (Tolls)

Q44. **Mr. Roy Hughes** asked the Prime Minister what is Her Majesty's Government's policy with regard to the charging of tolls on bridges and estuarial crossings; what are the criteria by which the charging or non-charging of tolls are decided; and if she will make a statement.

The Prime Minister: The policy of the Government towards estuarial crossings is that, except where there are counter-arguments on grounds of traffic diversion or congestion, they should be paid for by users rather than taxpayers because of the exceptional savings in time and money which these expensive facilities make possible.

Pensions

Q96. **Sir David Price** asked the Prime Minister whether she will ensure that, in any reform of the basic state retirement pension scheme, men and women will be placed on the same basis of age eligibility for receiving their retirement pension.

The Prime Minister: I refer my hon. Friend to the reply that I gave him on 5 March 1985, *Official Report*, column 444. Proposals for the future of social security will be published shortly.

Falkland Islands

Q117. **Mr. Carter-Jones** asked the Prime Minister what plans are being made for her to visit the Falkland Islands; and if she will make a statement.

The Prime Minister: I have at present no plans to visit the Falkland Islands.

City Action Teams

Q118. **Mr. John Fraser** asked the Prime Minister if she proposes to visit any inner city partnership areas in relation to her initiatives on city action teams.

The Prime Minister: As in the past, I hope to visit such cities.

EC (Contributions)

Mr. Austin Mitchell asked the Prime Minister whether she will provide figures for the United Kingdom contributions to the European Economic Community together with the expected increases in levies, in a form consistent with her answer of 4 March, *Official Report*, column *395*, about increases in its own resources of the EEC.

The Prime Minister: On the basis of the draft 1985 budget established in Council on 22 April, the United Kingdom's contribution to the 1985 European Community budget is now expected to be 6,238 mecu including the United Kingdom share of the Intergovernmental Agreement. This represents a real increase compared with our contribution in 1984 of some 3·7 per cent.

Sugar and isoglucose and agricultural levies will be lower in 1985 than in 1984. The decreases are 20 million ecu—20 per cent.—and 130 million ecu—32 per cent. —respectively.

Multi-fibre Arrangement

Mr. Freeson asked the Prime Minister if she will make it her policy to propose the phasing out of restrictions under the multi-fibre arrangement on textile and clothing imports from all the 50 poorest countries during the Bonn economic summit.

The Prime Minister: The Government is still considering what regime should succeed the current multi-fibre arrangement when it expires in July next year; a matter which the House will be debating on 9 May. We shall be taking account of the needs of the world's least developed countries.

Debt Rescheduling

Mr. Freeson asked the Prime Minister if she will make it her policy during the Bonn economic summit to seek to write off existing official aid debts and offer more generous and longer term rescheduling of other outstanding Government debts of the 50 poorest countries.

The Prime Minister: No. Britain has already been generous. Forty-four of the fifty poorest countries have no official aid debts to the United Kingdom. Of the remainder, India now receives local costs aid up to the total official aid loan repayments due each year. The outstanding amount from the others is only £5·3 million. The terms of rescheduling for other outstanding official debts are usually decided multilaterally in the Paris club, where Britain has supported generous treatment of many of the poorest debtors.

Engagements

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for 7 May.

Mr. Yeo asked the Prime Minister if she will list her official engagements for 7 May.

Mr. Parry asked the Prime Minister if she will list her official engagements for 7 May.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Tuesday 7 May.

Mr. Pike asked the Prime Minister if she will list her official engagements for Tuesday 7 May.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Whale By-products

Mr. Tony Banks asked the Prime Minister whether any Government Departments or agencies make use of whale by-products; and if she will make a statement.

The Prime Minister: I regret that this kind of information is not held centrally.

Rates

Lord James Douglas-Hamilton asked the Prime Minister (1) what was the level of the rate support grant including the per capita value for each year, from central Government to Scotland, England and Wales, for each of the last 10 years; what percentage this represented of total local government expenditure for each year; and if she will publish a table;

(2) what comparisons have been made between the relative rateable value of comparable properties, small businesses and industries in Scotland, England, Wales and Northern Ireland, respectively; and if she will publish this information in the form of a table.

The Prime Minister: I shall reply to my hon. Friend shortly.

Secretary of State for Energy (Speech)

Mr. Willie W. Hamilton asked the Prime Minister if the speech made by the Secretary of State for Energy on 2 May concerning unemployment, housing and poverty represents the policy of Her Majesty's Government.

The Prime Minister: Yes.

Council of Ministers (Decisions)

Mr. John David Taylor asked the Prime Minister in what circumstances Her Majesty's Government decide to place before Parliament for decision matters decided by the European Economic Community Council of Ministers; and if she will make a statement.

The Prime Minister: I shall reply to the right hon. Gentleman shortly.

EDUCATION AND SCIENCE

Foreign Language Teaching

Mr. Deakins asked the Secretary of State for Education and Science what is the total cost of provision for foreign language teaching, other than mother-tongue teaching, in maintained schools; and what assessment he has made of the economic benefit resulting from this teaching.

Mr. Dunn: Information on the total cost of provision for foreign language teaching in schools is not available. The largest element of the cost relates to staffing: full results from the 1984 secondary school staffing survey showing the number of foreign language teachers and teacher deployment on foreign languages will be available shortly. My right hon. Friend is aware of studies by various organisations of the relationship between foreign language learning and overseas trade and will be taking these — and employer responses to the consultative document "Foreign Languages in the School Curriculum" — into account in the policy statement on foreign languages he proposes to issue later this year.

Integrated Education

Mr. Alfred Morris asked the Secretary of State for Education and Science, pursuant to the reply by the Under-Secretary to the right hon. Member for Manchester, Wythenshawe, what the total additional resources amount to for schools to achieve integrated education; what, in detail, the additional resources are used for; and how many children have been able to attend mainstream schools instead of special schools as a result of these additional resources.

Mr. Dunn: The information is not available in the precise form requested. Under the Government's in-service teacher training grants scheme, about £2 million is available to local education authorities in the current academic year towards the cost of replacing teachers released to one-term courses concerned with teaching children with special educational needs in ordinary schools. Under the education support grants scheme £2·25 million has been made available in the financial year 1985-86 to local education authorities to provide new or specially adapted microelectronic aids for children with special educational needs. This includes aids to permit integrated placements. In addition, provided costs are contained and savings made elsewhere, the government's expenditure plans for the current financial year should allow a substantial increase, compared with 1982-83, in the number of educational psychologists employed by local authorities. This should enable them to offer a better service to children with special educational needs. Information about the numbers of children who have benefited from these measures is not available.

Human Embryos (Research)

Sir Bernard Braine asked the Secretary of State for Education and Science if he will give details of research involving the use of human embryos at the Medical Research Council experimental embryology and teratology unit, the Medical Research Council reproductive biology unit and the department of obstetrics and gynaecology, university of Cambridge, stating, in each case, when such research began, what are the terms of reference or guidelines for such research, what is the cost and from what source the embryos are obtained.

Mr. Brooke: I understand from the Medical Research Council that the following research involving the use of embryos in vitro is being carried out:—

MRC Experimental Embryology and Teratology Unit:

Low temperature preservation of embryos. Nutrition and biochemistry of post-implantation embryos. Factors affecting in vitro fertilisation and embryo transfer in the human. This work began in April 1984 using embryos derived from a clinic at the Cromwell hospital, London. Expenditure figures are not yet available.

MRC Reproductive Biology Unit:

Neuroendocrine studies of ovulation and luteal function, with reference to infertility and embryo transfer. Development of in vitro methods to improve the fertility of human eggs and spermatozoa, in the context of in vitro fertilisation and artificial insemination.

Chromosome analysis of human spermatozoa and cleavage-stage human embryos to explore the incidence, nature and origins of chromosomal abnormalities. This work began in April 1984 using embryos from a clinic at the Edinburgh royal infirmary. Expenditure figures are not yet available.

Department of Obstetrics and Gynaecology, Cambridge:

Basic and clinical research on pre-implantation development. This research is funded by means of an MRC programme grant awarded in 1983 at a cost of £277,182 over five years. The embryos used in the programme are made available by a clinic at Addenbrooke's hospital, Cambridge.

All MRC research programmes in this field are conducted within the Council's published guidelines "Research related to human fertilisation and embryology". The MRC requires that all such research has local scientific and ethical committee approval.

ATTORNEY-GENERAL

European Commission of Human Rights

Mr. Silvester asked the Attorney-General what has been the cost to his Department of dealing with representations to Her Majesty's Government in respect of individual applications lodged against the United Kingdom with the European Commission of Human Rights, including those referred to the court, in the latest 12 months for which figures are available.

The Attorney-General: It is not feasible to ascertain that proportion of the expenditure of my Department which is attributable to dealing with representations to Her Majesty's Government in respect of individual applications lodged against the United Kingdom with the human rights institutions in Strasbourg.

TRADE AND INDUSTRY

Imports

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry whether he will publish in the *Official Report* a table showing the degree of import penetration in each year since 1975 to the latest available period of agricultural tractors, machinery and chemicals, respectively.

Mr. Channon: The information requested is given in the table.

Standard industrial classification (1980)
Import penetration

Per cent.

	AH 3212 *Agricultural tractors**	*AH 3211* *Agricultural machinery**	*AH 2513 & AH 2568* *Agricultural chemicals†*
1975	46	41	18
1976	43	44	18
1977	45	44	20
1978	46	45	23
1979	43	47	26
1980	51	47	23
1981	46	53	22
1982	47	58	23
1983	48	52	29
1984 to Q2	40	57	31

* The figures for agricultural tractors and agricultural machinery for the years 1975 to 1977 are based on the Standard Industrial Classification (1968) (MLH 380 and MLH 331 respectively). The coverage of these two industries is very similar to those of the corresponding SIC(80) industries and the continuity of the series is unlikely to be greatly affected.
† AH 2513 fertilisers and AH 2568 formulated pesticides.

Mr. Deakins asked the Secretary of State for Trade and Industry what proportion of the United Kingdom market in each of the main sectors of manufacturing is now taken by imports from the EEC and Japan, respectively.

Mr. Channon: Figures consistent with those published in Business Monitor MQ12 "Import Penetration and Export Performance Ratios", as far as possible within reasonable cost, are given in the table.

Classes of the standard industrial classification (1980)	*Import penetration year to June 1984* *European Community*	*Japan*
Class 21—Extraction of preparation of metalliferous ores	4	0
Class 22—Metal manufacturing	16	0
Class 23—Extraction of minerals, NES	7	0
Class 24—Manufacture of non-metallic mineral products	7	0
Class 25—Chemical industry	23	1
Class 26—Production of man-made fibres	49	1
Class 31—Manufacturing of metal goods NES	7	0
Class 32—Mechanical engineering	20	2
Class 33—Office machinery, Data processing equipment	46	9
Class 34—Electrical and electronic engineering	18	8
Class 35—Manufacture of motor vehicles and parts thereof	36	7
Class 36—Manufacture of other transport equipment	16	1
Class 37—Instrument engineering	23	11
Class 41/42—Food, Drink and Tobacco manufacturing	10	0
Class 43—Textile industry	22	2
Class 44—Manufacture of leather and leather goods	12	0
Class 45—Footwear and clothing industries	14	0
Class 46—Timber and Wooden furniture industries	8	0
Class 47—Paper, Printing and Publishing	5	0
Class 48—Processing of rubber and plastics	17	1
Class 49—Other manufacturing industries	14	3

Departmental Committees of Inquiry

Mr. Eggar asked the Secretary of State for Trade and Industry how many departmental committees of inquiry he and his predecessors, including Presidents of the Board of Trade, Ministers of Technology, Secretaries of State for Trade, Secretaries of State for Industry, Secretaries of State for Prices and Consumer Protection, Ministers of Posts and Telecommunications and Ministers for Aerospace, have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Butcher: Following is a list of committees of inquiry which have been reported since May 1979 on topics within the present scope of my Department. In view of changes in the machinery of government, it would require disproportionate expenditure to produce a list going back to 1955.

DEPARTMENTAL COMMITTEES OF INQUIRY 1979 TO DATE

Set up	*Title*	*Reported*
1	COMMITTEE OF INQUIRY INTO THE ENGINEERING PROFESSION (*Chairman:* Sir Montague Finniston, FRS)	
July 1977	Engineering our future: report of the Committee of Inquiry—Cmnd. 7794, HMSO, 1980.	November 1979
2	COMMITTEE ON WASTE PAPER SUPPLY (*Chairman:* Dr. R. L. P. Berry)	
1978	Report of the Committee on waste paper supply. Department of Industry/Department of Environment, 1980.	August 1980
3	INDEPENDENT REVIEW OF THE RADIOSPECTRUM (30-960 MHz) (*Chairman:* Dr. J. H. H. Merriman, CB, OBE, FEng)	
June 1982	Independent review of the radiospectrum (30-960 MHz): Interim report: the future use of television bands I and III. Cmnd. 8666. HMSO, 1983. (DTI).	*Interim:* September 1982 (HO) *Full:* June 1983 (DTI)
4	INSOLVENCY LAW REVIEW COMMITTEE (*Chairman:* Sir Kenneth Cork)	
January 1979	Bankruptcy: interim report of the Insolvency Law Review Committee. Cmnd. 7968, 1980. Insolvency law and practice: report of the review Committee.	*Interim:* October 1979 *Full:* April 1981

Set up	Title	Reported
	5 INTERIM ACTION COMMITTEE ON THE FILM INDUSTRY (*Chairman:* Rt. Hon. Sir Harold Wilson, KG, OBE, FRS, MP)	
April 1977	Proposals for the setting up of a British Film Authority Cmnd. 7071. HMSO, 1978.	1st Report 1978
	The financing of the British film industry. Cmnd. 7597. HMSO, 1979.	2nd Report June 1979
	Statistics, technological developments and cable television. Cmnd. 7855. HMSO, 1979	3rd Report March 1980
	Film and Television cooperation. Cmnd. 8227. HMSO, 1981.	4th Report April 1981
	Distribution of films for exhibition in cinemas and other means. Cmnd. 8530. HMSO, 1982.	5th Report March 1982
	6 IT SKILLS SHORTAGES COMMITTEE (*Chairman:* Mr. John Butcher MP)	
1983-84	The human factor—the supply side problem. DTI, 1985.	1st Report July/August 1984
	Changing technology—changing skills—shortage at technician level. DTI, 1985.	2nd Report January 1985
	7 MATERIALS ADVISORY GROUP (*Chairman:* Mr. John Collyear)	
August 1983	A programme for the wider application of new and improved materials and processes (NIMP): the report of the Collyear Committee. HMSO, 1985.	February 1985
	8 PREVENTION OF FRAUD (INVESTORS) REVIEW COMMITTEE (*Chairman:* Professor L. C. B. Gower)	
July 1981	Review of investor protection: a discussion document. HMSO, 1982.	*Discussion document:* January 1982
	Review of investor protection: Report: Part 1. HMSO, 1984. (*Also published:*—Financial services in the United Kingdom: a new framework for investor protection. Cmnd. 9432. HMSO 1985.)	*Report:* January 1984
	9 REGULATION OF BRITISH TELECOMMUNICATIONS PROFITABILITY (Report by Professor Stephen C. Littlechild)	
October 1982	Regulation of British Telcommunications profitability. DoI, 1983.	February 1983
	10 REVIEW OF THE NATIONAL ASSOCIATION OF CITIZENS ADVICE BUREAUX (*Chairman:* Sir Douglas Lovelock KCB)	
April 1983	Review of the National Association of Citizens Advice Bureaux. Cmnd. 9139. HMSO, 1984.	December 1983

Fur Coats (Labelling)

Mr. Kilroy-Silk asked the Secretary of State for Trade and Industry if he will introduce legislation to require all fur coats made from wild animals to be labelled to that effect.

Mr. Fletcher: I am not convinced that a legal requirement of this kind is necessary in the interests of consumers.

Manchester Steel Company

Mr. Litherland asked the Secretary of State for Trade and Industry if the Government have any plans to bring the Manchester Steel Co. into the phoenix plan for development of the steel industry in the United Kingdom; and if he will make a statement.

Mr. Butcher: The Government have no such plans. It is for firms in the industry themselves to initiate and carry through restructuring projects which they consider to be commercially sensible. Only plans which involve the establishment of new joint ventures between the British Steel Corporation and the private sector are considered by the Government, on the basis of proposals put forward by the parties concerned.

Mobile Radio Services

Mr. Ashdown asked the Secretary of State for Trade and Industry when he expects to announce his final proposals on mobile radio services in Band III.

Mr. Butcher: My hon. Friend hopes to make an announcement shortly.

British Aerospace

Mr. Nicholas Baker asked the Secretary of State for Trade and Industry if he will arrange for the offer for sale of shares in British Aerospace to take place in Paris and Frankfurt as well as in London; and if he will make a statememt.

Mr. Butcher: The prospectus for the offer was published last week, and copies were placed in the Library. Shares are not being offered for sale overseas except to existing shareholders and eligible employees of British Aerospace.

Mayfair Hotel (Satellite Television)

Mr. Tim Smith asked the Secretary of State for Trade and Industry whether a licence has been issued to the Mayfair hotel, London, to take satellite television transmissions from the Europe telecommunication spacecraft via two antennae mounted on its roof.

Mr. Butcher: A limited number of letters of temporary authority have been issued for the purposes of test and development and demonstration of reception of satellite television programmes. The operator of the system at the Mayfair has such a letter of authority.

Honduras

Mr. Corbyn asked the Secretary of State for Trade and Industry what is the volume and value of trade with Honduras for each year since 1975.

Mr. Channon: I shall reply to the hon. Member as soon as possible.

Telecommunications Equipment

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry (1) what was the value of imports of telecommunications equipment from Japan including components into the United Kingdom for the last 12 months for which figures are available; and what was the value of United Kingdom exports of telecommunications equipment including components to Japan for the same period;

(2) what was the value of imports of Swedish telecommunications equipment including components into the United Kingdom for the last 12 months for which figures are available; and what was the value of United Kingdom exports of telecommunications equipment to Sweden, including components over the same period.

Mr. Channon [*pursuant to the reply*, 3 May 1985, c. *276*]: Available information relating to the period March 1984 to February 1985, is as follows:

Value £ million

	United Kingdom imports (cif)	*United Kingdom exports (fob)*
Japan	36·2	0·4
Sweden	22·9	4·1

Source: Data corresponding to SITC/R2 Sub-groups 764.1 and 764.2 (part) and Item 764.91 in the United Kingdom Overseas Trade Statistics.
Note: The figures exclude some components that are not separately distinguished in the United Kingdom Overseas Trade Statistics.

Nippon Telegraph and Telephone

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry if Her Majesty's Government will seek to make arrangements with the Government of Japan to enable British investors to buy shares in Nippon Telegraph and Telephone.

Mr. Channon [*pursuant to the reply*, 3 May 1985, c. *276*]: Decisions about how NTT's assets should be sold are for the Japanese Government to take, by my right hon. Friend the Secretary of State on his recent visit to Tokyo made clear out interest in opening up the telecommunication sector to British investment and to British products and services.

Citizens Band Radio

Sir Patrick Wall asked the Secretary of State for Trade and Industry what is the latest position on the introduction of citizens band radio to the frequencies recommended by the conference of european posts and telecommunications unions.

Mr. Butcher [*pursuant to the reply*, 3 May 1985, c. *276*]: On several occasions the Government have stated that their longer term objective for CB is to adopt the CEPT recommendation which provides for common European frequencies for FM CB. I am happy to re-affirm that commitment now.

In moving towards the adoption of the CEPT frequencies at the lower part of the 27 MHz band, there is a need to relocate the existing users of the band. The Department has been consulting all interested parties about the appropriate transitional arrangements. We must give adequate time for existing users to modify or change equipment and in view of this 1987 is our earliest realistic target date for the start-up of the new CB service. Further consultations will need to take place with existing users before this can be confirmed. After the introduction of the new CEPT CB service the existing UK 27 MHz CB service will run in parallel with it for some time and no decision has yet been taken to phase out the present service.

British Telecom

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry what assistance was made available in the United Kingdom to enable Japanese investors to buy shares in British Telecom.

Mr. Butcher [*pursuant to the reply*, 3 May 1985, c. *278*]: None within the United Kingdom, although a separate offering was made in Japan.

FOREIGN AND COMMONWEALTH AFFAIRS

El Salvador

Mr. Chris Smith asked the Secretary of State for Foreign and Commonwealth Affairs if he will seek assurances from the El Salvadorean authorities that their officers to be trained at Camberley have not been directly or indirectly implicated in the extra-judicial killings which have taken place in El Salvador in recent years.

Mr. Renton: As I told the hon. Member for Caerphilly (Mr. Davies) on 11 March at columns 54-55 the Salvadorean Government are aware of our concern about human rights. Candidates for training should be both professionally and personally suitable.

Mr. Chris Smith asked the Secretary of State for Foreign and Commonwealth Affairs if he will say whether further offers of training either to military, paramilitary, or police personnel from El Salvador will be made in the coming months.

Mr. Tim Renton: As I said to the hon. Member for Caerphilly (Mr. Davies) on 11 March at columns 54-55, we have offered places for one or two suitably qualified Salvadorean officers to attend staff college courses in Britain. It continues to be the case that no other offer of military assistance has been made and that we are not, at the present time, considering further military assistance to El Salvador.

Nuclear Tests

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if the three depository powers under the 1963 non-proliferation treaty are willing to accept on-site inspection whenever it is unclear whether a nuclear test is peaceful.

Mr. Luce: I assume the hon. Member is referring to the 1968 non-proliferation treaty, of which the United Kingdom, the United States and the Soviet Union are depositary powers.

We believe that the United States proposal of September 1984 for exchanges of nuclear test-site observers would be a positive step in the direction of improving verification arrangements under existing treaties which constrain nuclear testing. We regret that the Soviet response has so far been dismissive.

We also remain committed to achieving progress towards a ban on all nuclear testing, including peaceful

nuclear explosions, which we believe would be extremely difficult to distinguish from tests carried out for military purposes. The United Kingdom currently has no peaceful nuclear explosions programme.

Nicaragua

Mr. Alton asked the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government towards the Contra rebellion against the Nicaraguan Government.

Mr. Renton: We support efforts, in particular the Contadora process, to reach an early and comprehensive negotiated settlement of the problems of central America. We believe this process offers the best hope for achieving stability, democracy and development in the region.

Mr. Alton asked the Secretary of State for Foreign and Commonwealth Affairs what statements he has made concerning United States' support for the Contra rebels in Nicaragua.

Mr. Renton: I would refer the hon. Member to the statement made by my right hon. and learned Friend in the debates on 9 November 1984, at columns 1017-18, and 25 April this year at columns 325-26.

Chile

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received regarding recent arrests and killings in Chile; and what action he has taken as a result.

Mr. Renton: We receive frequent representations about the situation in Chile and continue to make clear to the Chilean Government, both bilaterally and in concert with our European Community partners, our concern over violations of human rights.

Spain (British Tourists)

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government have had discussions with the Spanish Government concerning the safety of British citizens on holiday in Spain; and if he will make a statement.

Mr. Renton: During my visit to Spain in February, I took the opportunity to review with the Spanish authorities the measures they had in hand to improve security in tourist areas. Our consulates throughout Spain have a close and satisfactory working relationship with the local Spanish authorities on all matters affecting British citizens.

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government have had any talks with British tour operators about advice to British citizens who have booked holidays in Spain in the current year concerning their safety while in Spain.

Mr. Renton: The Association of British Travel Agents and the Foreign and Commonwealth Office are in frequent contact. The Foreign and Commonwealth Office gives the association such advice and information as is necessary and helpful on the current security position in Spain.

GCHQ

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs how many employees of Government communications headquarters have died in each of the last three years; in how many cases an inquest was held; what was found to be the cause of death and the verdict in each such case; and if he will make a statement.

Mr. Renton: Details of the number of employees at the Government Communications Headquarters who have died between 1982 and 1985 are as follows: 1982—26; 1983—27; 1984—23; 1985 (first four months)—five. We are aware of inquests having been held in five cases. Details as follows:

(i) 25 July 1982 — Mr. J. Wolfenden. Verdict: accidental death; aeroplane crash.
(ii) 24 November 1982—Mr. E. P. Brockway. Verdict: suicide; death by hanging.
(iii) 17 September 1983 — Mr. S. D. Drinkwater. Verdict: death by misadventure; asphyxiation.
(iv) 3 April 1984 — Mr. G. Franks. Verdict: natural causes; heart attack.
(v) 8 April 1985—Mr. S. Oke. Open Verdict: death by hanging.

Gibraltar

Mr. Stanbrook asked the Secretary of State for Foreign and Commonwealth Affairs whether Her Majesty's Government have been informed by the Spanish Government of their reasons for not lifting all the restrictions formerly imposed by Spain on aircraft intending to land at Gibraltar; and if he will make a statement.

Sir Geoffrey Howe: We remain in discussion with the Spanish authorities about the airspace in the region of Gibraltar following their recent action facilitating the use of Gibraltar airfield by civil aircraft.

AGRICULTURE, FISHERIES AND FOOD

Council of Agriculture Ministers

Mr. Andy Stewart asked the Minister of Agriculture, Fisheries and Food what was the outcome of the Council of Agriculture Ministers' meeting beginning on 2 May; and if he will make a statement.

Mr. Jopling: With my hon. Friend, the Minister of State, I represented the United Kingdom at the Council of Agriculture Ministers in Luxembourg from 2 to 5 May. The main subject of the Council was the Commission's price proposals or 1985-86.

After three days of discussion it became evident that it would not be possible to reconcile the divergent views of member states at this Council.

In the light of the discussion the Commission is considering whether any amendments to its original proposals should be made and the Council will resume discussion on Monday 13 May in Brussels.

The Council decided that the marketing years for milk products, beef and veal, sheepmeat, dried fodder and cauliflowers should be extended until 19 May.

Milk Quotas

Mr. Hayes asked the Minister of Agriculture, Fisheries and Food what unpublished instructions were issued to

members of the Dairy Produce Quota Tribunal for England and Wales on how they should decide quota awards; and if he will make a statement.

Mr. MacGregor: The tribunal was authorised by the Dairy Produce Quotas Regulations 1984 to issue general guidance to local panels in England and Wales in respect of the criteria to be used by them in determining proceedings before them. This general guidance was published. In addition, the chairman of the tribunal, Lord Grantchester, issued a number of notes to members of the tribunal advising them on certain aspects of their work. In accordance with normal tribunal practice these notes, which were concerned mainly with administrative matters, have not been published. However, I am aware that there has been concern about one particular note which was issued on 24 November 1984 and which gave guidance on the calculation of yields to be taken into account in dealing with development claims. The purpose of this note was to ensure consistency between tribunal decisions and fairness to producers.

In view of the widespread interest in this particular note I have exceptionally, and with Lord Grantchester's agreement, arranged for copies to be placed in the Library of the House.

Mr. Forth asked the Minister of Agriculture, Fisheries and Food what changes there will be in milk quotas in England and Wales in 1985-86; and when these will be announced.

Mr. Jopling: I regret that the delay in reaching agreement in the price fixing negotiations makes it impossible to make any announcement for the time being. Arrangements are in hand to inform individual producers of their quotas for 1985-86 as soon as possible once decisions on the price fixing have been reached.

However, I am pleased to say that for 1985-86 small producers, that is those with less than 200,000 liters of quotas, will have their quota brought back up to their base year production levels, which in the vast majority of cases will mean their level of production in 1983. This means that for about 40 per cent. of all producers we have wiped out last year's 9 per cent. reduction. I am also pleased to say that for 1985-86 exceptional hardship awards will be made at 100 per cent. of the amount awarded. This means that the two principal objectives of the outgoers scheme have been achieved.

Direct sellers with less than 200,000 liters will, like wholesale producers, be brought back to their base year level. Producers with both direct sales and wholesale quota will benefit from similar adjustments if the total of their two quotas is less than 200,000 litres. However, no producer's quota will be increased above 200,000 litres, and the adjustments will be tapered to avoid anomalies between producers just above or below the 200,000 litre level. Moreover, the increases will not be applied to development quota.

Cereals (Intervention Expenditure)

Mr. Colvin asked the Minister of Agriculture, Fisheries and Food if he will publish in tabular form figures showing the average cost per acre of cereals of intervention expenditure in each of the member states of the European Economic Community.

Mr. MacGregor: The cost of public intervention to the Community in 1983 is given in the following table. This is the latest year for which a breakdown of costs by member states is available.

Member State	*Cost to FEOGA of public intervention (MECU)*	*1983 Harvest Area (M. Acres)*	*Cost per acre of public intervention (ECU)*
Belgium	0·060	0·929	0·065
Denmark	40·023	4·243	9·433
Germany	235·457	12·459	18·899
Greece	1·241	3·814	0·325
France	187·342	23·033	8·134
Ireland	−8·307*	0·924	−8·990
Italy	−39·323*	12·197	−3·224
Luxembourg	−0·005*	0·079	−0·063
Netherlands	6·554	0·506	12·953
United Kingdom	53·642	9·771	5·490
EC10	476·684	67·955	7·015

* Net profits on sales from intervention.

Pesticides

Dr David Clark asked the Minister of Agriculture, Fisheries and Food (1) if he will list those experiments or surveys which his Department has conducted, commissioned or is aware of, regarding the impact of pesticides on butterflies on or around farmland in the United Kingdom;

(2) how many incidents of butterflies killed by pesticides were reported to the advisory committee on pesticides through the wildlife incident monitoring service, by species in each of the last five years.

Mrs. Fenner: I shall reply to the hon. Member as soon as possible.

Production and Consumption (Statistics)

Mr. Spence asked the Minister of Agriculture, Fisheries and Food if he will set out in the *Official Report* the latest available figures showing the comparison for the European Economic Community as a whole and for the United Kingdom separately between production and consumption, excluding intervention, quantities in the following items: common wheat, barley, sugar, butter, skimmed milk, eggs and beef.

Mr. MacGregor: I shall reply to my hon. Friend as soon as possible.

Rural Estate

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food if he intends to publish *(a)* a Green Paper and *(b)* a White Paper on the rural estate.

Mrs. Fenner: I shall reply to the hon. Member as soon as possible.

Intervention Stores

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food if he will provide a complete list of United Kingdom and European Community agricultural produce in public intervention and assisted private storage in England and their value at the latest available date.

Mr. MacGregor: I shall reply to the hon. Member as soon as possible.

Liquid Skimmed Milk

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food how much liquid skimmed milk was subsidised for use as stockfeed in the past year in the United Kingdom; and what was the cost of the subsidies involved.

Mrs. Fenner: I shall reply to the hon. Member as soon as possible.

ENERGY

Departmental Committees of Inquiry

Mr. Eggar asked the Secretary of State for Energy how many departmental committees of inquiry he and his predecessors, including Ministers of Fuel and Power, have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established who chaired them, and the dates they reported.

Mr. Peter Walker: I am writing to my hon. Friend.

British Petroleum

Mrs. Clwyd asked the Secretary of State for Energy what proportion of British Petroleum profits and capital investments were allocated by British Petroleum, over the past decade, to its Saudi and Gulf refining capacity.

Mr. Peter Walker: That would be a matter for the company.

HOUSE OF COMMONS

Defence Debates

Mr. George asked the Lord Privy Seal on how many occasions in each year since 1979-80 the House has considered matters relating to defence, set out by category as follows: (i) ministerial statements, (ii) private notice questions, (iii) debates on substantive Government motions, (iv) debates on Opposition motions, (v) legislation (excluding Consolidated Fund Bills), (vi) Consolidated Fund Bills (including proceedings on Adjournment motions subsequent thereto), (vii) debates on the Adjournment other than half hour Adjournments, (viii) half hour Adjournment debates, (ix) debates on statutory instruments and (x) any other debates.

Mr. Biffen: The information requested is given in the following table:

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85 (to date)*
(i) Ministerial Statements	2	2	8	5	5	4
(ii) Private Notice Questions	3	1	—	1	—	2
(iii) Debates on Government Motions	—	—	1	—	1	1
(iv) Debates on Opposition Motions	—	—	—	—	1	—
(v) Legislation (excluding Consolidated Fund Bill)	1	1	1	—	1	—
(vi) Consolidated Fund Bill (proceedings)	3	2	2	4	3	1
(vii) Debates on the Adjournment (other than half hour)	5	4	10	2	4	3
(viii) ½ hour Adjournment Debates	11	7	7	6	5	3
(ix) Debates on Statutory Instruments	1	—	1	1	1	—
(x) Other debates	3	1	—	1	—	—

Scottish Business

Mr. Wilson asked the Lord Privy Seal how many minutes, on average, were spent per sitting day during the 1983-84 Session on the Floor of the House on Scottish business.

Mr. Biffen: The average number of minutes per sitting day spent on the Floor of the House on Scottish business in Session 1983-84 was 28. This figure does not include daily Adjournment debates, statements, private notice questions, applications for debates under Standing Order No. 10 and Scottish elements of Consolidated Fund and holiday Adjournment debates, as it is frequently impossible to put such business firmly into the category of Scottish business.

WALES

Royal Ordnance Factory, Cynon Valley

Mrs. Clwyd asked the Secretary of State for Wales if the Welsh Development Agency was aware that the royal ordnance factory contained asbestos before it demolished the building on the industrial estate at Hiawain in Cynon Valley.

Mr. Nicholas Edwards: I understand that Agency was not specifically aware of the presence of any of the notifiable forms of asbestos in the building, but it advised the demolition contractor of the likelihood of such material being present. I understand also that prior to demolition the premises were inspected by the contractor and the Health and Safety Executive but no dangerous asbestos was found at that time. The demolition contract placed the onus on the contractor to identify asbestos material as work progressed and, if discovered, to deal with it in accordance with the provisions of the current legislation.

Cervical Cancer

Mr. Best asked the Secretary of State for Wales if he will make a statement about the incidence of cervical cancer in Gwynedd; and what proposals he has to reduce it.

Mr. Wyn Roberts: The screening and treatment of patients with cervical cancer is primarily the responsibility of the health authorities. Gwynedd is one of the two health authorities in Wales which operate a system for calling women for initial testing as well as recalling them subsequently. The arrangements in Wales for calling and recalling women for testing and the notification of test

results are currently under scrutiny by the joint NHS/ Welsh Office working party which will report to the Secretary of State by the end of June.

The figures for the number of positive cases of cervical cancer detected in Gwynedd and the number of deaths, for 1980-83, the latest year for which figures are available, are:

Year	*Number of positive cases detected*	*Number of deaths*
1980	53	11
1981	80	14
1982	73	11
1983	96	11

Overseas Visitors (Health Charges)

Mr. Anderson asked the Secretary of State for Wales what sums have been raised in each of the health authorities in Wales since the inception of the scheme to make overseas visitors pay hospital charges.

Mr. Wyn Roberts: Cash received is as follows:

Health Authority	*1 October 1982 to 31 March 1984 £ (actual)*	*1 April 1984 to 31 March 1985 £ (provisional)*
Clwyd	2,630	600
East Dyfed	719	1,100
Gwent	1,192	5,900
Gwynedd	1,199	2,300
Mid Glamorgan	—	3,100
Pembrokeshire	—	1,300
Powys	354	500
South Glamorgan	8,169	22,000
West Glamorgan	5,711	6,000
Wales	19,974	42,800

Educational Maintenance Allowance

Mr. Andrew F. Bennett asked the Secretary of State for Wales what would be the cost of providing in Wales an educational maintenance allowance of £25 per week, 52 weeks per year, to all those aged 16 and 17 years in full-time education including those in colleges of further education, taking into account savings in child benefit, and any existing educational maintenance allowances.

Mr. John Stradling Thomas: About £34 million.

Tourism

Mr. Gregory asked the Secretary of State for Wales if he will list the grants over £10,000 given by the Wales tourist board to aid tourist development projects in each of the last five years, specifying also where appropriate the ultimate holding company of the recipient of the grant.

Mr. John Stradling Thomas: I shall write to the hon. Gentleman as soon as possible and place a copy of my reply in the Library.

Redundancies

Mr. Barry Jones asked the Secretary of State for Wales if he will list the companies notifying redundancies in Wales from 1 January; and what information he has as to the numbers of redundancies concerning each company.

Mr. Nicholas Edwards: Information in the form requested is notified by individual firms on a confidential basis and could not be disclosed without breaching confidentiality.

Advance Factories

Mr. Raffan asked the Secretary of State for Wales how many advance factories have been *(a)* built and *(b)* allocated in Wales since May 1979.

Mr. Nicholas Edwards: In the period from 1 May 1979 to 30 April 1985, 1,451 advance factories have been completed by the Welsh Development Agency, the Development Board for Rural Wales and Cwmbran development corporation, providing 7·2 million sq. ft. of new industrial space. The total amount of space available is now 2·8 million sq. ft. which is about 12 per cent. of the total stock held by the three bodies concerned. 1,659 factories — 9·7 million sq. ft. of space — have been allocated in the same period.

Agricultural Produce (Storage Space)

Mr. Ron Davies asked the Secretary of State for Wales what provision his Department is making for fluctuations in the storage space required for United Kingdom and European Community agricultural produce over the coming year.

Mr. Nicholas Edwards: The Intervention Board for Agricultural Produce is keeping the position under constant review and will continue to reserve storage space as necessary.

Intervention Stocks (Value)

Mr. Ron Davies asked the Secretary of State for Wales if he will provide a complete list of United Kingdom and European Community agricultural produce in public intervention and assisted private storage in Mid-Glamorgan, and their value, at the latest available date.

Mr. Nicholas Edwards: As at 31 March 1985, the latest date for which information is available, there were no assisted private stocks of agricultural products in Mid-Glamorgan, stocks in intervention being 2,210 tonnes of skimmed milk powder, value £2·27 million.

Intervention Stores

Mr. Ron Davies asked the Secretary of State for Wales (1) if he is now in a position to reveal the exact locations of all public intervention stores in Wales;

(2) if he will provide an up-to-date list of Welsh locations used for the storage of European Economic Community food surpluses.

Mr. Nicholas Edwards: The following is the list of intervention storage locations in Wales as at 31 March 1985.

Cardiff
Newport
Swansea
Rhyl
Milford Haven
Whitland
Llandyssul
Caerphilly
St. Clears

Mr. Ron Davies asked the Secretary of State for Wales if he will provide a complete list of United Kingdom and

European Community agricultural produce in public intervention and assisted private storage in Wales and their value at the latest available date.

Mr. Nicholas Edwards: As at 31 March 1985, the latest date for which information is available, there were no assisted private stocks of agricultural products in Wales; intervention stocks were as follows:

Commodity	*Amount Tonnes*	*Value £ million*
Skimmed milk powder	4,143	4·25
Butter	12,766	24·63
Beef	857	2·42

Skimmed Milk

Mr. Ron Davies asked the Secretary of State for Wales how much liquid skimmed milk was subsidised for use as stockfeed in the past year in Wales; and what was the cost of the subsidies involved.

Mr. Nicholas Edwards: During 1984, £1·192 million subsidy was paid on 19·3 million litres of liquid skimmed milk supplied by creameries and dairies in Wales for use as stockfeed.

HOME DEPARTMENT

Prisoners (Statistics)

Mr. Austin Mitchell asked the Secretary of State for the Home Department (1) how many prisoners were found to be *(a)* mentally disturbed and *(b)* mentally sub-normal in the last census carried out by the prison medical service;

(2) how frequently the prison medical service carries out a census of the number of mentally disturbed people in prison; and when the last census was carried out;

(3) what criteria are used by the prison medical service in assessing mental illness in its census of mentally disturbed prisoners;

(4) if he will estimate the number of mentally disturbed prisoners, applying the same criteria of assessment as are so applied in the population as a whole.

Mr. Mellor: Prison medical officers make statistical returns at six-monthly intervals of prisoners whom they assess as suffering from mental disorder of a nature or degree which would satisfy the criteria in the Mental Health Act 1983 for detention in hospital for treatment. Two additional censuses were carried out in 1984 as a special exercise. Further details of the census arrangements are contained in circular instruction 36/1984, a copy of which is in the Library. The latest census for which figures are available is that for 31 December 1984, which showed that 282 prisoners were assessed as mentally disordered within the terms of the Act, of whom 225 were diagnosed as suffering from mental illness, 48 from psychopathic disorder, seven from mental impairment and two from severe mental impairment. We understand from the Department of Health and Social Security that there is no similar periodic survey of the general population.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what is the current projection of the size of the prison population of England and Wales in 1989, 1990 and 1991, respectively.

Mr. Mellor: The latest published projections of trends in the average prison population, made at the end of 1983, were given in Home Office statistical bulletin issue 8/84 on 18 April 1984. It is planned to publish soon a further bulletin giving the most recent annual projections.

Prisons (Suicides)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many prisoners who committed suicide in 1984 at penal establishments had been identified as suicide risks but were not under any form of special observation.

Mr. Mellor: There were 22 deaths in prison establishments in 1984 on which the inquest returned a verdict of suicide. In seven of these cases the prisoner's records had been marked at some time during his imprisonment with an 'F' to denote suicide risk, but the prisoner was not under special watch at the time of the suicide.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many of those who committed suicide in penal establishments in 1984 were *(a)* alcoholic, *(b)* drug addicts and *(c)* mentally ill.

Mr. Mellor: The information which is available centrally on the 22 deaths in prison establishments in 1984 on which the inquest returned a verdict of suicide is as follows:

	History of Alcohol Abuse	*History of Drug Abuse*	*Diagnosis of Mental Illness*
Yes	6	7	6
No	2	2	12
Not Known	14	13	4

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) if, in line with the recommendations of Her Majesty's Chief Inspector or Prisons, the phenomenon of suicide in prison is being monitored and studied more fully; and if education and training courses for staff have been developed to enhance their knowledge of prevention procedure and their understanding of suicidal behaviour;

(2) if he will detail the changes made for the prevention of suicides in penal establishments following the report of Her Majesty's Chief Inspector of Prisons on suicide in prison;

(3) what progress has been made on implementing the recommendations of the Chief Inspector of Prisons' report on suicides in prison.

Mr. Mellor: When my right hon. and learned Friend announced publication of the report by Her Majesty's Chief Inspector of Prisons on suicide in prisons on 3 September last, he said that he broadly accepted the report's recommendations and had set up a group to look in more detail at the issues raised and to consider any other ideas which might be put forward. The group will complete its work in the autumn. Prior to the chief inspector's report, procedures were changed in June last year to require fuller reports from governors on suicides in prison under circular instruction 33/1984, a copy of which is in the Library.

Holloway Prison

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many women were in the

psychiatric wing in Holloway prison at the latest available date; what were the offences with which they had been charged or for which they had been sentenced; what was the length of time each had been detained in C wing; and what was their medical condition.

Mr. Mellor: Of the 36 women in C1 unit, Her Majesty's prison Holloway, on 30 April 1985, seven had been charged with or sentenced for offences of theft, seven with criminal damage, six with arson, five with deception and two with actual bodily harm. The main charges against the remainder related to assaulting a police constable, attempted robbery, causing a breach of the peace, assisting offences of buggery, causing grievous bodily harm, illegal possession of a child, interfering with a motor vehicle, wasting police time and wounding with intent to cause grievous bodily harm.

Thirteen of the women had been in C1 unit for one week or less, 12 for over one week but not more than one month, five for over one month but not more than two months, and six for over two months and up to six months.

C1 unit is part of the prison hospital: it caters for women prisoners who are highly disturbed and who are admitted on the direction of the prison medical officer.

Libyan People's Bureau

Mr. Latham asked the Secretary of State for the Home Department whether, pursuant to the answer to the hon. Member for Rutland and Melton on 18 July 1984, *Official Report*, column *195*, by the right hon. Member for Witney (Mr. Hurd) and subsequent official correspondence from the Minister of State he is now able to give a full and accurate list, with dates, of all Libyans claiming connection with the former people's bureau who were required to leave the United Kingdom between 17 and 27 April 1984, including those escorted from the bureau under police supervision, indicating which had any form of diplomatic immunity; and whether he will correct errors in previous ministerial replies to the hon. Member contained in the *Official Report* on this matter.

Mr. Giles Shaw: Following the break in diplomatic relations with Libya on 22 April 1984 all Libyan-based members of the Libyan diplomatic staff in London, and their families, were required to leave the United Kingdom, as were all those in the bureau at the time of the shooting on 17 April, whatever their status. One diplomat, Mr. Abdelghadr Kiaralla, was allowed to remain and was subsequently notified as a member of the diplomatic staff at the Libyan interests section of the Saudi embassy. All the administrative and technical staff of the bureau were required to leave with the exception of Mr. Mohamed Elbouaahi Elmasdhun, who was subsequently notified as a member of the diplomatic staff at the Libyan interests section of the Saudi embassy, and Mr. Younis Mohamed Elwafy, who was allowed to stay for six weeks for compassionate reasons.

The following left the bureau under police supervision on 27 April. Those marked with a letter after their names had been notified to my right hon. and learned Friend the Foreign and Commonwealth Secretary, either as diplomatic agents — labelled (B) — or members of the administrative and technical staff—labelled (C)—of the Libyan people's bureau. In one case the person concerned was the husband of a member of the administrative and technical staff. Those without a letter after their names were neither diplomatic agents nor members of the administrative and technical staff.

Aded, Salem Said Salem (C)
Alhkimi, Ahmed Omran Khalifa (B)
Ameri, Abdulmagid Saleh (C)
Bashir, Ahmed Elmhdi (C)
Daghais, Yousif Mohamed (C)
El-Bakush, Issa Ahmed (C)
El-Hinshiri, Shahata (B)
Elmismari, Mikail Bin Saud (C) (husband of Mrs. Mabruka Mohammed Giuma)
Fernana, Mehdi A. (C)
Abuminigil, Bashir M. (B)
Gaaka, Omar Mohamed
Abdelgiawad, Mohamed Mehemed (B)
Gratem, Ayad Ahmed (C)
Hemmali, Abdulkarim Shogwara (C)
Jalid, Ali Hassan (B)
Khebuli, Mufta Giuma
Magtouf, Mustafa A. (C)
Mghirbi, Mustafa Abdu Salam (B)
Mohamed, Ali Ibraik
Nisser, Almahdi Ashur (C)
Omar, Otman Ahmed (C)
Ali'oun, Mohamed (B)
Rabha, Salah Abdessalem Ben
Ramadan, Mohamed Omar (C)
Saleh, Ahmed Salhen (C)
Sherif, Mohamed Hadi (B)
Stuka, Salah Eyad
Tabulli, Ahmed Mohamed (B)
Tuhami, Abdulgader Mohamed Ali (C)
Zweit, Salem Ali (C)

The following Libyan diplomats and administrative and technical staff and locally engaged staff at the bureau also left the United Kingdom between 22 and 27 April. Letters B and C after their names have the same meanings as indicated above:

Ahmed, Mansur Ahmed (B)
Ali Daman, Abdalla (C)
Aldowadi, Mouloud M. (B)
El-Bussifi, Ali Hassan Ahmed (C)
Giuma, Mrs. Mabruka Mohammed (C)
Gleib, Ahmed Abdulla Mohamed
Ganbor, Nagi Hadi (C)
Ahmed, Abdelkadir O. (C)
Hdeddan, Mohamed Salem (C)
Ikhleif, Ahmed Mansur
Elkezza, Aboshnief (B)
Khamri, Ahmed Mansor (C)
Elmabrouk, Mrs. Imbarka Ali (B) (wife of Abdelgiawad Mohamed Mehemed)
Magtof, Mohammed Ahmed (B)
Mohamed, Mrs. Julie Hussain (C)
Abdulrahim, Salah O.
Said, Said Ali Masaud (C)
Abou-Sdera, Bashir Mohamed (C)
Sodani, Omar M. Ahmaida (B)
Werfalli, Mrs. Warda Ali (B) (wife of El-Hinshiri Shahata)

In addition, the following left on 29 April:

Elmarghani, Salah B. D. (C)
Farhat, Omar A. (C)
Fitouri, Muftah (B)
Jubran, Abdallah Ahmed (C)
Elkeeb, Abdulwahab H. (C)
Abourziza, Ibrahim A. (B)
Zlitni, Hameda B. (B)

Members of diplomats' families left the United Kingdom on 26 and 27 April, together with other Libyans who were not directly connected with the bureau. Separate lists of the individuals concerned are not available. Four diplomats who would have been required to leave were already outside the United Kingdom at the time of the break in diplomatic relations. Two members of the

administrative and technical staff who were required to leave, Mr. Ismail M. M. El Basha and Mr. Maamari Hagiagi, are believed to be outside the United Kingdom but the dates of their embarkation are not known.

There were also three Libyans, connected with the bureau, who were deported during this period but who did not have any form of diplomatic immunity. They were:

Baghdadi, Abdul Ghader
Mabruk, Saleh Ibrahim
Matuq, Mohamed Matuq

The corrections required to replies to my hon. Friend's earlier questions are as follows:

8 May 1984 (c. 280) Mr. Ali Mohammed Tuhami Abdulgader should not have been identified as having diplomatic status; Mr. Mikhail Bin Saud Elmismari should have been so identified.

25 May 1984 (c. 608) the three diplomats named plus one other, Mohamed K. Benhamed were, in fact, already outside the United Kingdom on 22 April.

18 July 1984 (c. 246) Mr. Ibrahim A. Abourzizaa left the United Kingdom on 29 April, not 26 April.

Primates

Mr. Boyes asked the Secretary of State for the Home Department if he intends to support research and development into caring for primates; and if he will make a statement.

Mr. Mellor: My right hon. and learned Friend will consider any specific proposals for research on the welfare of laboratory animals but he cannot, of course, give any undertaking that funds for this purpose will be available in any given case.

Civil Defence

Mr. Tony Banks asked the Secretary of State for the Home Department if he will arrange courses at the civil defence college for elected members of councils and officers to attend together.

Mr. Giles Shaw: I would refer the hon. Member to the reply I gave to the question from the hon. Member for Knowsley North (Mr. Kilroy-Silk) on 4 April 1985 at column 720.

Remand Hearings

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the number of prisoners not produced for remand hearings for each day in 1985 for each penal establishment.

Mr. Mellor: This information is not available centrally and could only be collected at disproportionate cost.

Wakefield Prison

Mr. Terry Fields asked the Secretary of State for the Home Department what representations he has received on the standard of medical treatment available at Wakefield prison; and when he expects his inquiries to be completed.

Mr. Mellor: The hon. Member wrote to my noble Friend on 25 October enclosing wide-ranging complaints made by a former prisoner at Wakefield. The person concerned also raised these matters directly with the governor, and through other channels. These matters have now been fully investigated and my noble Friend will write to the hon. Member as soon as possible. We have also received in the last six months six petitions from other prisoners about aspects of their medical treatment.

SOCIAL SERVICES

Residential Homes

Mr. Foulkes asked the Secretary of State for Social Services how many registered residential and nursing homes charge fees that are equal to or less than the new rates of supplementary benefit limits of £110 and £138 per week, respectively.

Mr. Whitney: Comprehensive information on the fees charged for the different categories of residential care and nursing homes is not collected centrally. We believe the new supplementary benefit limits should allow reasonable charges to be met in homes meeting the registration requirements. Information available to the Department relating to supplementary pensioners indicates that, even under the previous arrangements which encouraged upward pressure on charges, up to about 60 per cent. of charges for private and voluntary homes would be at or below the new limits.

Ms. Harman asked the Secretary of State for Social Services what was the number of people in residential care homes for the elderly in Suffolk in receipt of supplementary benefit under regulation 9 in each of the years 1979 to 1985.

Mr. Whitney: Separate figures for supplementary benefit claimants in residential care homes for the elderly in Suffolk are not available and could be obtained only at disproportionate cost.

Ms. Harman asked the Secretary of State for Social Services (1) what was the number of residential care homes for the elderly in Suffolk in each of the following sectors *(a)* voluntary, *(b)* private and *(c)* public for each of the years 1979 to 1985;

(2) what was the number of people in Suffolk living in residential care homes for the elderly in each of the following sectors *(a)* voluntary, *(b)* private and *(c)* public for each of the years 1979 to 1985.

Mr. John Patten: Information on the number of homes for the elderly and disabled in Suffolk, and their number of residents, for each of the years 1979 to 1984, is given in the table.

As at 31 March	Number of homes				Number of residents			
	Statutory	Voluntary	Private	Total	Statutory	Voluntary	Private	Total
1979	32	12	40	84	1,420	225	530	2,175
1980	32	13	40	85	1,422	290	598	2,310
1981	32	15	41	88	1,413	318	620	2,351
1982	33	16	44	93	1,433	384	685	2,502
1983	32	16	47	95	1,480	377	711	2,568
1984	32	17	60	109	1,451	426	907	2,784

Information about the number of homes and residents as at 31 March 1985 is not yet available.

Family Income Supplement

Mr. Deakins asked the Secretary of State for Social Services what estimate he has of the number of recipients of family income supplement who have a total income which is less than their entitlement would be if they were in receipt of supplementary benefit.

Mr. Whitney: We estimate from the small sample of cases generated by the 1981 family expenditure survey data that about 15 per cent. of family income supplement recipients would then have had a total income less than their entitlement on supplementary benefit if they had given up work.

Benefits

Mrs. Beckett asked the Secretary of State for Social Services if he will publish a table showing the total number of recipients and the total cost of benefit in each of the years 1979-80 to 1984-85 and estimated recipients and expenditure in 1985-86 on each of the following: *(a)* rent rebates and allowances to 1982-83 and standard housing benefit rent assistance from 1983-84, *(b)* rate rebates to 1982-83 and standard housing benefit rates assistance from 1983-84, *(c)* supplementary benefit to 1982-83 and certificated housing benefit from 1983-84 towards rent payments and *(d)* supplementary benefit to 1982-83 and certificated housing benefit from 1983-84 towards rates payments.

Mr. Whitney: The information requested is in the table.

Housing benefit and former schemes: Estimated caseload and expenditure 1979-80 to 1985-86

Great Britain

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Standard cases							
Rent rebates and allowances							
Caseload (thousands)	1,430	1,570	1,840	1,900	2,200	2,200	2,100
Expenditure (£ million)	280	370	550	670	870	940	950
Rate rebates							
Caseload (thousands)	3,070	3,350	3,710	3,510	3,880	3,800	3,600
Expenditure (£ million)	200	270	370	440	540	570	600
Certificated cases							
Rent rebates and allowances							
Caseload (thousands)	1,890	1,990	2,310	2,500	2,770	2,700	2,700
Expenditure (£ million)	500	700	1,000	1,110	1,660	1,840	1,950
Rate rebates							
Caseload (thousands)	2,330	2,450	2,860	3,080	3,650	3,500	3,500
Expenditure (£ million)	250	300	400	500	730	810	850

Notes:

1. Figures relating to the former rent rebate, rent allowance and rate rebate schemes are shown under standard cases, and figures relating to the former help through the supplementary benefit scheme are shown under certificated cases.
2. Figures for 1984-85 and for 1985-86 are provisional estimates and are subject to revision.

Mr. Hardy asked the Secretary of State for Social Services how many people are dependent upon supplementary or housing benefit in south Yorkshire at the present time or at the most recent date for which statistics are available; and how this number compares with the position in the county six years earlier.

Mr. Whitney: Information is not available in the precise form requested. South Yorkshire is covered by 11 DHSS offices but the boundaries are not strictly conterminous. The number of claimants receiving supplementary benefit from those offices at February 1985 — the latest figures available — was 144,603, and at February 1979, 80,276.

About 85,000 households were receiving rate rebates in 1978-79. Local authority subsidy claims indicate that about 130,000 households were receiving standard rate rebates in 1984-85, about 7,000 of whom were also receiving housing benefit supplement and are therefore included in the supplementary benefit figures above.

Supplementary Benefit (Southwark)

Ms. Harman asked the Secretary of State for Social Services if he will investigate the delays in the handling of supplementary benefit claims, particularly for single payments, at the Blenheim Grove office of his Department in Southwark.

Mr. Whitney: A routine survey of the Blenheim Grove, Southwark, local social security office was completed last month. The survey shows that there have been improvements in the time taken to deal with benefit claims. We will continue to monitor performance, as we do in all local offices, and would be happy to investigate cases of delay brought to the attention of the hon. Member.

Departmental Committees of Inquiry

Mr. Eggar asked the Secretary of State for Social Services how many departmental committees of inquiry he and his predecessors, including Ministers of Health, Ministers of Pensions and National Insurance, Ministers of Social Security and Ministers of National Insurance, have commissioned since 1955; and what were the subjects the committees investigated, the date they established, who chaired them, and the dates they reported.

Mr. John Patten: The information available from central records, which covers only the period since the Department of Health and Social Security was established, is in the table.

Departmental Committees of Inquiry 1968-1985

Subject Investigated	*Date Established*	*Chairman*	*Date Reported*
The death of David Tomlinson at Paddington General Hospital in July 1967	February 1969	D. J. Stinson	Not known
The administration and conditions at Farleigh Hospital	July 1970	Major Tasker Watkins	October 1970
The administration and conditions at Whittingham Hospital	February 1971	Sir Robert Payne	November 1971
The care of patients at South Ockendon Hospital	May 1972	J. Hampden Inskip, QC	March 1973
The cause of the fire and action taken at the Coldharbour Hospital on 5 July 1972	July 1972	Desmond Vowden, QC	August 1972
Medical and nursing practices between 1970 and 1972 in some wards of Napsbury Hospital	October 1972	Dr. R. R. Bomford	November 1972
The care and supervision provided by local authorities and other agencies in relation to Maria Colwell	July 1973	T. G. Field-Fisher	1974
The cause of the fire at Fairfield House, Edwalton, Notts on 15 December 1974	December 1974	K. G. Jupp	July 1975
The nursing and care of the mentally handicapped	July 1975	Mrs. Peggy Jay	1979
Patient care and staff morale at Normansfield Hospital	February 1977	M. D. Sherrard, QC	1978
The non-accidental death of DArryn Clarke	August 1978	John Hugill, QC	November 1979
Treatment of children with cancer at the Royal Manchester Children's Hospital and the Christie Hospital	January 1979	Lady Marre	June 1979
The organisation and facilities at Rampton Hospital	July 1979	Sir John Boynton	November 1980
The proposed closure of Cowley Road Hospital, Oxford	August 1979	Professor A. J. Willcocks	September 1979
Non-accidental death of Paul Brown	March 1980	Michael Morland, QC	December 1980
The outbreak of food poisoning at Stanley Royd Hospital in August 1984	November 1984	John Hugill, QC	Continuing
The death of Michael Martin at Broadmoor Hospital	January 1985	Miss Shirley Ritchie	Continuing

Maternity Leave

Mr. Ashby asked the Secretary of State for Social Services what information he has as to the number of women currently in receipt of unemployment benefits who have taken maternity leave within a month of obtaining such benefits.

Mr. Whitney: The information requested is not available.

Health Authorities (Private Contractors)

Mr. Deakins asked the Secretary of State for Social Services what advice or instructions have been given to health authorities as to whether action should be taken by them against private contractors who have given unsatisfactory service.

Mr. Kenneth Clarke: I refer the hon. Member to my reply on 1 May to the hon. Member for Holborn and St Pancras (Mr. Dobson) at column *174*.

Child Benefits

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will publish figures showing non means-tested child benefits for a family with two children aged 10 and 12 years as percentages of the gross earnings of the average production worker in each member state of the European Community.

Mr. Whitney: No figures are available which show reliably the gross earnings of the average production worker in each member state of the European Community. There are no standard official data about the average earnings of production workers in member states of the European Community. Meaningful comparisons cannot, therefore, be drawn.

Board and Lodging Payments

Mr. Tony Lloyd asked the Secretary of State for Social Services when he expects to answer the letter dated 7 January 1985 from the hon. Member for Stretford in connection with supplementary benefit board and lodging payments.

Mr. Whitney: I have written to the hon. Member today.

Dental Charges

Mr. Freeman asked the Secretary of State for Social Services if he will give statistics for the last five years of the proportion of the cost of the general dental service borne by charges.

Mr. Kenneth Clarke: The information requested, for England, is as follows:

	Per cent
1980-81	22·0
1981-82	23·9
1982-83	26·2
1983-84	26·5
1984-85	*26·3

* estimated.

Abortions (Wandsworth)

Mr. Tom Cox asked the Secretary of State for Social Services what has been the number of abortions that have taken place in hospitals in the Wandsworth health authority area in each of the last three years to women between 15 and 20 years of age.

Mr. Kenneth Clarke: We do not publish statistics about the number of abortions performed in individual health authorities for reasons of confidentiality.

Mobility Allowance

Mr. Alfred Morris asked the Secretary of State for Social Services if he will make it his policy that indoor corridors are not used as part of the eligibility test for mobility allowance, especially where the applicant's disabilities include sensory impairment.

Mr. Newton: The medical questions which arise on claims for mobility allowance are decided under an independent system of adjudication. It is for examining medical practitioners, medical boards and medical appeal tribunals to decide what tests are necessary in order to ascertain whether a particular claimant is unable or virtually unable to walk.

General Practice Finance Corporation

Mr. Barry Jones asked the Secretary of State for Social Services if he has any plans for the privatisation or partial privatisation of the General Practice Finance Corporation.

Mr. Kenneth Clarke: We have no plans at present to change the status or classification as a public corporation of the General Practice Finance Corporation. However, following the reclassification of General Practice Finance Corporation borrowing in 1984 the corporation itself has been examining ways by which the demands for loans could be met without adding to public expenditure.

Mr. Barry Jones asked the Secretary of State for Social Services if he will give the names and occupations of the current chairman and vice-chairman of the General Practice Finance Corporation.

Mr. Kenneth Clarke: The chairman of the General Practice Finance Corporation is Mr. David Stebbings, a retired solicitor. The deputy chairman is Mr. Derek Hughes, managing director of the merchant bank, Samuel Montagu and Company Limited.

Mr. Barry Jones asked the Secretary of State for Social Services what is the General Practice Finance Corporation's budget for the current year; what is the estimated budget for the following year; and what was the budget for 1984-85.

Mr. Kenneth Clarke: The General Practice Finance Corporation receives no direct financial support from the Government. However, its borrowing to finance loans to general practioners is guaranteed by the Exchequer and is subject to Government control. The corporation's net borrowing in 1984-85 was £23·25 million compared with £3·5 million in 1982-83 and £12·5 million in 1983-84. Its borrowing for 1985-86 is fixed at £22·5 million. The provisional planning assumption for 1986-87 is £26·7 million.

Cervical Screening

Mr. Mason asked the Secretary of State for Social Services (1) if he will outline the facilities available in the South Yorkshire metropolitan area for cervical cancer screening; how many persons have been examined and in what age groups; how many have had a recall; and if he will make a statement;

(2) if he will outline the facilities available in Yorkshire and Humberside for cervical cancer screening; how many persons have been examined and in what age groups; how many have had a recall; and if he will make a statement;

(3) if he will outline the facilities available in Barnsley and district for cervical cancer screening; how many persons have been examined and in what age groups; how many have had a recall; and if he will make a statement.

Mr. Kenneth Clarke: I refer the right hon. Member to my reply to my hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox) on 29 April at columns *49-51*.

The total number of cervical smear tests taken in each of the health authority areas concerned in 1983 is as follows:

Regional Health Authority/District Health Authority	*Number of tests*
Yorkshire Regional Health Authority	224,437
Barnsley District Health Authority	11,274
Doncaster District Health Aurhority	17,830
Rotherham District Health Authority	16,308
Sheffield District Health Authority	49,065

The number of tests may not correspond exactly to the number of women tested, but we do not hold centrally information on the number of women screened, or the other detailed information requested. The right hon. Member may wish to seek this from the respective health authorities.

NHS (Waiting Lists)

Mrs. Dunwoody asked the Secretary of State for Social Services, pursuant to his answer of 29 April, *Official Report*, column *51*. whether any patient on any Health Service waiting list has been, or could be, removed from the waiting list, without the specific agreement of their own consultant.

Mr. John Patten: We do not have this information. Health authorities have made their own arrangements for carrying out the exercise. It would be for the consultants to agree the conditions under which names could be removed from the lists.

Mrs. Dunwoody asked the Secretary of State for Social Services, pursuant to his answers of 29 April, *Official Report*, column *51*, if he will explain the administrative arrangements which make central costing of the survey into National Health Service waiting lists impossible.

Mr. John Patten: Costing information could be obtained only by inquiry of all the individual districts and hospitals involved; the expense of such an exercise would clearly be disproportionate.

Community Homes

Mr. Teddy Taylor asked the Secretary of State for Social Services how many community homes were provided by local authorities and private bodies, respectively, at the most recent date for which figures are available; what responsibility his Department has for reviewing the operation of such homes; and how many such homes have been opened and closed down, respectively, since 1979.

Mr. John Patten: Figures are not held centrally of the numbers of community homes. Community homes may be provided by local authorities or voluntary organisations, but not private bodies.

The Department has overall responsibility to ensure that all homes are properly run, in accordance with the Community Home Regulations 1972, and they are therefore subject to inspection by the Department's social services inspectorate.

Pensions

Mr. Gordon Brown asked the Secretary of State for Social Services (1) what information is available to him as to the number of persons in contracted-out pension schemes who are entitled to inflation-proofing of their pensions after retirement; and what information he has as to the estimated cost of this provision in the years *(a)* 1985, *(b)* 1990, *(c)* 1995, *(d)* 2000 and *(e)* 2010, both in money terms and as a proportion of the total cost of the state earnings-related pension scheme;

(2) what are his estimates of the numbers of people expected to receive additional component under the state earnings-related pension scheme in the tax years 1985-86, 1986-87 and 1987-88; what is the maximum estimated additional component; and what is the estimated average additional component in those years.

Mr. Whitney: I shall let the hon. Member have replies as soon as possible.

Dr. McDonald asked the Secretary of State for Social Services (1) if he will indicate *(a)* the average amount of earnings-related supplement per week received by eligible pensioners and *(b)* the lowest and highest amount received per week by eligible pensioners in 1985-86;

(2) if he will publish his latest estimates of the number of retirement pensioners in receipt of the the state earnings-related pension in 1985-86 and 1986-87.

Mr. Whitney: I shall let the hon. Member have replies as soon as possible.

Dr. McDonald asked the Secretary of State for Social Services if he will set out a table showing the amounts of earnings-related supplement received by eligible pensioners, and the number of pensioners in each category for the current financial year.

Mr. Whitney: Information for the year 1984-85 is not yet available. The most recent data (30 September 1983) are summarised in the table.

Number of retirement pensions at 30 September 1983 analysed by category of pension and rate of notional dynamised additional component with total amount and average rate*

	Total with additional component	*Less than £1·00*	*£1·00 to £1·99*	*£2·00 to £2·99*	*£3·00 to £3·99*	*£4·00 to £4·99*	*£5·00 to £5·99*	*£6·00 to £6·99*	*£7·00 to £7·99*	*£8·00 and over*	*Total amount of additional component £*	*Average rate of additional component £*
Category A men	680,110	157,630	162,350	116,220	85,850	62,260	38,010	26,750	12,860	18,180	1,814,364	2·67
Category A women	209,390	72,990	54,200	32,520	20,860	11,820	6,670	4,470	2,330	3,530	432,580	2·07
Category ABL women	6,010	3,250	1,500	610	370	170	30	20	40	20	7,776	1·29
Category B widows	49,390	13,450	14,510	8,020	5,500	3,510	1,830	1,400	530	640	110,517	2·24
Grand total	944,900	247,320	232,560	157,370	112,580	77,760	46,540	32,640	15,760	22,370	2,365,237	2·50

Notes:
Category A (men and women): basic pension based on pensioner's own contributions.
Category B: lower (60 per cent.) rate married woman's pension based on husband's contributions.
Category B widows: pension based on late husband's contribution and paid at full basic rate.
Category ABL women: pension comprising category A topped up by category B entitlement to maximum of category B rate.
* Including any inherited additional component and before any deduction of GMP in respect of those pensioners who were in contracted-out occupational pension schemes.

Dr. McDonald asked the Secretary of State for Social Services if he will estimate the number of those in employment contributing to the state earnings-related pension scheme, and the amount contributed in 1985-86 and expected in 1986-87.

Mr. Whitney: The number of those currently employed who are contributing to the state earnings-related pension scheme is estimated to be 10·46 million. Information on the amounts of contribution income specifically allocated to the state earnings-related pension scheme is not available. However, the latest estimate of expenditure on the earnings-related component of the scheme is £291 million in 1985-86 and £395 million in 1986-87.

Health Regions (Manpower Targets)

Mrs. Renée Short asked the Secretary of State for Social Services by how much the total regional manpower targets for March 1986 differ from those for March 1985; how many regional staff have been transferred to family practitioner committees; by how much the March 1986 manpower targets for the four Thames health regions differ from the March 1985 targets for those regions; and in which staff groups he expects the reductions to be made.

Mr. Kenneth Clarke: The information requested is given in the table. Our ceilings are for all manpower and are not broken into staff groups. We expect regional health authorities to ensure, with districts, that some reductions are made in all regions in the numbers of administrative and clerical staff and that growth in any other staff groups reflects the need to develop patient care and services.

Directly-Employed Staff
(Whole-time equivalents)

Region	*Manpower ceiling 31 March 1985**	*Staff employed by family practioner committees†*	*Manpower ceiling 31 March 1986‡*
Northern	54,800	290	54,600
Yorkshire	61,700	360	61,200
Trent	75,000	410	75,500
East Anglian	30,500	180	30,100
North West Thames	57,600	520	56,200
North East Thames	72,500	370	71,000
South East Thames	65,000	320	63,000

Region	Manpower ceiling 31 March 1985*	Staff employed by family practioner committees†	Manpower ceiling 31 March 1986‡
South West Thames	49,200	370	48,200
Wessex	44,500	240	44,700
Oxford	34,400	220	34,500
South Western	53,100	260	53,300
West Midlands	84,400	480	84,600
Mersey	44,200	240	43,700
North Western	75,800	430	75,400
Total	802,700	4,690	796,000

* Including FPC staff.
† Estimates of staff transferred to family practitioner committees from 1 April 1985. Final figures not yet available.
‡ Excluding FPC staff.

Hospital Ancillary Services (Salford)

Mr. Corbyn asked the Secretary of State for Social Services what action he is taking to accelerate the putting out to tender of hospital ancillary services by Salford district health authority; and if he will make a statement.

Mr. Kenneth Clarke: We are looking to the north western region to ensure that Salford health authority carries out our policy on competitive tendering. I am sure that the authority can find valuable ways of spending the resulting savings to improve patient services within its district.

Population Statistics

Ms. Harman asked the Secretary of State for Social Services what was the number of people over the age of *(a)* 65 years and *(b)* 75 years, living in Suffolk in each of the years from 1979 to 1985; and what was the percentage increase over that period.

Mr. John Patten: The latest information available is given in the table:

Thousands

As at June	Persons aged 65 and over	Persons aged 75 and over
1978	93·7	35·2
1979	95·4	36·1
1980	98·1	37·7
1981	99·4	38·7
1982	99·9	40·3
1983	99·8	41·5
Percentage increase between 1978 and 1983	6·5	17·9

National Insurance Contributions

Mrs. Renée Short asked the Secretary of State for Social Services what he estimates will be the financial effect on the National Health Service of the changes in national insurance contributions announced in the Budget.

Mr. Kenneth Clarke: The changes in employers' national insurance contributions will mean increased costs for higher paid staff but lower costs for other full-time and most part-time staff. It is likely that the net effect will be to reduce health authorities' costs, but reliable estimates cannot yet be made.

I will write to the hon. Member when reasonable estimates are available.

Children Act 1975

Mr. Kennedy asked the Secretary of State for Social Services when section 33 of the Children Act 1975 is likely to be brought into effect.

Mr. John Patten: I shall let the hon. Member have a reply as soon as possible.

Association of Community Health Councils

Mr. Meadowcroft asked the Secretary of State for Social Services what grant he intends to make available to the Association of Community Health Councils for England and Wales for 1985-86.

Mr. Kenneth Clarke: We are offering the association a grant of £20,000 for 1985-86, principally to enable it to employ an information officer. The grant is subject to certain conditions relating to the association's accounts and to review of its activities and use of the grant.

Amenity and Pay Beds

Mr. Gregory asked the Secretary of State for Social Services what is the number of private hospitals which offer acute surgical care and the number of beds and the occupancy rate for all facilities offering such care by region in each of the last five years.

Mr. Kenneth Clarke [*pursuant to his reply*, 1 February 1985, c. *359*]: The available information is given in the table. This type of information is not available centrally for 1979 or 1980. We do not collect information on bed occupancy centrally.

Private hospitals, nursing homes and clinics registered under section 3 of the Nursing Homes Act 1975, offering acute surgical care in England

Region	Number of institutions*			Total number of beds in the institutions*		
	1981	1982	1983	1981	1982	1983
Northern	1	2	2	34	64	74
Yorkshire	8	14	15	335	447	445
Trent	12	13	14	370	421	518
East Anglian	7	8	9	199	208	308
North West Thames†	22	15	17	1,970	1,107	1,179
North East Thames†	14	28	31	456	1,486	1,580
South East Thames†	17	18	17	692	795	796
South West Thames†	11	12	13	591	621	687
Wessex	9	11	12	246	335	376

Region	Number of institutions*			Total number of beds in the institutions*		
	1981	1982	1983	1981	1982	1983
Oxford	10	12	12	359	454	452
South Western	10	10	10	378	375	386
West Midlands	10	18	17	300	601	578
Mersey	6	8	8	306	305	316
North Western	7	9	12	365	444	543
England	144	178	189	6,601	7,663	8,238

* Figures for 1982 and 1983 are based on a routine statistical return introduced in 1982 and relate to premises with operating theatres on 31 December each year. Figures for 1981 are based on an ad-hoc inquiry and relate to premises providing acute surgical and medical care in June 1981; they are therefore not strictly comparable with those for later years.
† Because of NHS restructuring in 1982, figures for these regions are not directly comparable between 1981 and subsequent years.

Mortality Statistics

Mr. Barry Jones asked the Secretary of State for Social Services how many people on average have died *(a)* before the age of 60 years and *(b)* at 60 years and above of chest-related illnesses in (i) England and (ii) Wales, in each year since 1979.

Mr. John Patten [*pursuant to his reply*, 30 April 1985, c. *114*]: The information is given in the table.

The figures for 1984 are not comparable with earlier years, because of a change in coding following a rule of the World Health Organisation. In 1984 some deaths previously coded to bronchopneumonia have been allocated to other chronic conditions mentioned on the certificate.

Number of deaths from chest related diseases, aged under 60 years and 60 years and over; (a) Wales, (b) England—1979 to 1984

1979

ICD No. (9th rev.)	Cause	Sex	Wales		England	
			Ages			
			0 to 59	60 and over	0 to 59	60 and over
*see below	Diseases of lower respiratory tract	Male	202	2,628	3,530	37,201
		Female	147	2,157	2,376	36,378
487	Influenza	Male	6	16	58	239
		Female	3	24	23	668
162	Malignant neoplasm of trachea, bronchus and lung	Male	236	1,184	4,764	20,587
		Female	103	264	1,679	5,860
(010-012)	Tuberculosis of lung and pulmonary	Male	4	23	85	243
		Female	1	9	32	91

1980

ICD No. (9th rev.)	Cause	Sex	Wales		England	
			Ages			
			0 to 59	60 and over	0 to 59	60 and over
*see below	Diseases of lower respiratory tract	Male	195	2,462	3,234	36,082
		Female	132	2,189	2,151	36,183
487	Influenza	Male	1	14	38	149
		Female	—	20	17	274
162	Malignant neoplasm of trachea, bronchus and lung	Male	215	1,200	4,374	20,932
		Female	67	284	1,712	6,309
(010-012)	Tuberculosis of lung and pulmonary	Male	4	25	93	211
		Female	2	4	34	97

1981

ICD No. (9th rev.)	Cause	Sex	Wales		England	
			Ages			
			0 to 59	60 and over	0 to 59	60 and over
*see below	Diseases of lower respiratory tract	Male	206	2,422	2,929	35,844
		Female	133	2,152	1,980	36,974
487	Influenza	Male	1	12	19	185
		Female	5	19	15	370
162	Malignant neoplasm of trachea, bronchus and lung	Male	242	1,119	4,199	20,687

ICD No. (9th rev.)	Cause	Sex	Wales		England	
			Ages			
			0 to 59	60 and over	0 to 59	60 and over
		Female	94	302	1,624	6,388
(010-012)	Tuberculosis of lung and pulmonary	Male	7	24	81	212
		Female	1	5	21	80

1982

ICD No. (9th rev.)	Cause	Sex	Wales		England	
			Ages			
			0 to 59	60 and over	0 to 59	60 and over
*see below	Diseases of lower respiratory tract	Male	183	2,403	2,983	37,693
		Female	127	2,371	2,015	39,383
487	Influenza	Male	1	9	26	220
		Female	1	14	19	425
162	Malignant neoplasm of trachea, bronchus and lung	Male	247	1,185	3,946	20,601
		Female	105	351	1,609	6,788
(010-012)	Tuberculosis of lung and pulmonary	Male	7	21	74	209
		Female	—	5	32	105

1983

ICD No. (9th rev.)	Cause	Sex	Wales		England	
			Ages			
			0 to 59	60 and over	0 to 59	60 and over
*see below	Diseases of lower respiratory tract	Male	164	2,544	2,595	37,054
		Female	122	2,408	1,774	39,051
487	Influenza	Male	1	13	22	240
		Female	1	28	19	471
162	Malignant neoplasm of trachea, bronchus and lung	Male	221	1,170	3,793	21,262
		Female	98	376	1,501	7,060
(010-012)	Tuberculosis of lung and pulmonary	Male	3	21	50	200
		Female	—	5	23	70

1984

ICD No. (9th rev.)	Cause	Sex	Wales		England	
			Ages			
			0 to 59	60 and over	0 to 59	60 and over
*see below	Diseases of lower respiratory tract	Male	138	1,806	1,982	26,473
		Female	66	1,382	1,352	23,103
487	Influenza	Male	—	4	15	92
		Female	—	6	15	213
162	Malignant neoplasm of trachea, bronchus and lung	Male	207	1,206	3,561	21,020
		Female	84	350	1,555	7,679
(010-012)	Tuberculosis of lung and pulmonary	Male	1	16	51	191
		Female	1	6	16	91

* Diseases of respiratory system excluding acute upper respiratory infections and other diseases of upper respiratory tract ICD (9th rev.) 466, 480-519 excluding 487.

NORTHERN IRELAND

European Driving Licence

Mr. John David Taylor asked the Secretary of State for Northern Ireland on what date it is intended to introduce the new European driving licence into Northern Ireland.

Mr. Chris Patten: 1 January 1986.

Less Favoured Areas Boundaries

Mr. John David Taylor asked the Secretary of State for Northern Ireland what was the total number of appeals against the proposed less favoured areas boundaries received by 1 April.

Dr. Boyson: I shall reply to the right hon. Gentleman as soon as possible.

Republic of Ireland (Gas Pipeline)

Mr. John David Taylor asked the Secretary of State for Northern Ireland what was the total amount of payments made to the authorities in the Republic of Ireland in connection with the proposed gas pipeline to Northern Ireland; and, following the abandonment of this proposal, how much of these funds has been recovered from the authorities in the Republic of Ireland.

Dr. Boyson: £5 million in October 1983 and nothing recovered.

Castlereagh (Grant Aid)

Mr. John David Taylor asked the Secretary of State for Northern Ireland when he received an application from Castlereagh borough council for grant aid towards the replacement of Belvoir community centre; and if he will make a statement.

Mr. Scott: A grant application was received in the Department of Education on 31 January 1985. Insufficient details about the proposed scheme were submitted and have not yet been provided by the council. However, funds for such provision are limited, and the application will have to be considered along with many other priority schemes submitted by all district councils and in the light of other higher priority schemes planned by Castlereagh borough council.

Mr. John David Taylor asked the Secretary of State for Northern Ireland when he received an application from Castlereagh borough council for grant aid towards the cost of replacement of Braniel community centre; and if he will make a statement.

Mr. Scott: A grant application was received in the Department of Education on 9 September 1983. Insufficient details about the proposed scheme were submitted and have not yet been provided by the council. However, funds for such provision are limited; and the application will have to be considered along with many other priority schemes submitted by all district councils and in the light of other higher priority schemes planned by Castlereagh borough council.

Mr. John David Taylor asked the Secretary of State for Northern Ireland (1) if he has approved the submission by Castlereagh borough council of an application to the European regional development fund for financial assistance, either by grant or loan, towards the capital costs of the proposed Dundonald international ice-bowl by Castlereagh borough council;

(2) what is the amount of loan or grant to be paid from the European regional development fund towards the cost of the Robinson leisure centre in Castlereagh; what are the terms of this assistance; and if he will make a statement;

(3) if he has approved the submission to the European Economic Community of an application by Castlereagh borough council for a loan towards the cost of the Robinson leisure centre.

Dr. Boyson: I shall reply to the right hon. Gentleman as soon as possible.

Medical Cards

Mr. William Ross asked the Secretary of State for Northern Ireland how many applications for new medical cards have been received during the weeks beginning 4 March, 11 March, 18 March, 25 March, 1 April, 8 April, 15 April, 22 April and 29 April; and, in each case, how many applications were received by telephone, by letter and by other means.

Mr. Scott: This information is not readily available and could only be obtained at disproportionate cost.

Mr. Beggs asked the Secretary of State for Northern Ireland (1) how many applications for new medical cards were received by the Northern Ireland Central Services Agency for Health and Social Services in the current year during January, February, March, April and including those received at the Belfast office on Friday 3 May;

(2) how many new medical cards have been issued during 1985 altogether to date to Northern Ireland applicants.

Mr. Scott: I shall reply to the hon. Gentleman as soon as possible.

Anglo-Irish Encounter Group

Rev. Martin Smyth asked the Secretary of State for Northern Ireland, pursuant to the answer he gave to the hon. Member for Belfast, South on 25 April 1985, *Official Report*, column *547*, what specific subjects under discussion at the Encounter conferences interested the 10 officials.

Mr. Hurd: My hon. Friend the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs gave the hon. Member the titles of the three conferences which have been held in his answer of 1 April at column *453*. Each of these subjects was of interest to the officials who attended because of the duties they perform.

Electors (Identification)

Mr. Neillst asked the Secretary of State for Northern Ireland if he will introduce regulations to add UB40 cards to the permitted list of electors' identification for the forthcoming local elections in Northern Ireland; and if he will make a statement.

Mr. Scott: The Government have no plans to alter the list of documents specified in the Elections (Northern Ireland) Act 1985 and the Local Elections (Northern Ireland) Order 1985 before the forthcoming local elections. I made it clear, however, during the passage of the legislation, that the range of documents might be varied in subsequent elections should that prove necessary or desirable. All electors in Northern Ireland are already entitled to possess free of charge at least one of the specified documents.

Water Service (Unpaid Bills)

Mr. Nicholson asked the Secretary of State for Northern Ireland what amount of money is still owed in payments to the Department of the Environment (Water Service) in respect of each of the last four financial years by those persons who have a metered supply.

Mr. Chris Patten: I shall reply to the hon. Gentleman as soon as possible.

Local Government Electors

Mr. William Ross asked the Secretary of State for Northern Ireland what is his estimate of the number of

local government electors in Northern Ireland who hold an allowance or pension book or books, which is acceptable as proof of identity for the purpose of exercising the franchise on 15 May.

Mr. Scott [*pursuant to his reply*, 3 May 1985, c. *268*]: The numbers of those receiving benefits, pensions or allowances in Northern Ireland by means of pension or allowance order books which are specified documents within the terms of the Local Elections (Northern Ireland) Order 1985 were as follows on the dates shown:

Benefit etc.	*Number of Recipients*	*Date*
Invalidity Benefit	24,032	30 April 1985
Severe Disablement Allowance	9,850	30 April 1985
Attendance Allowance	†20,000	3 January 1985
Invalid Care Allowance	697	21 February 1985
Maternity Allowance	4,890	31 March 1985
Mobility Allowance	7,284	31 March 1985
Disablement Pension	†8,000	19 February 1985
Industrial Death Benefit	879	19 February 1985
Supplementary Benefit*	†23,000	12 February 1985
Retirement Pension	185,086	31 March 1985
Widow's Benefit	12,623	31 March 1985
Child Benefit	205,666	29 March 1985

* Supplementary Benefit recipients not receiving a main National Insurance benefit or pension.
† Approximate.

Apart from those for retirement pensions, the figures above include a number of people aged under 18. Many child benefit allowance books, however, carry the names of both parents and may therefore be used as a specified document by a substantial number of people in addition to the figure given for recipients of child benefit.

In some cases one person may receive more than one of the above pensions, benefits or allowances. Some recipients will not be on the Northern Ireland electoral register for local electors. Nonetheless, given that only 1,491 of the recipients of retirement pension, or their spouses, and only 3,718 of those receiving widows' benefit also receive child benefit, it is reasonable to estimate that at least 400,000 people possess some form of allowance book which is a specified document in terms of the order.

Nurses, Midwives and Health Visitors (Pay)

Rev. Martin Smyth asked the Secretary of State for Northern Ireland when he last met representatives of the Royal College of Nursing in Northern Ireland to discuss the findings of the review body on pay for nurses, midwives and health visitors; and if it is his intention that the full recommendations of the review body should be implemented in Northern Ireland.

Mr. Chris Patten [*pursuant to his reply*, 3 May 1985, c. *266*]: Neither my right hon. Friend nor I have had such a meeting. Pay awards made to nursing staff in the National Health Service will be applied in Northern Ireland.

TRANSPORT

M1 (Maintenance Works)

Mr. Peter Bruinvels asked the Secretary of State for Transport what major maintenance works are planned on the M1 in Hertfordshire this summer.

Mrs. Chalker: In early July we shall be renewing a short section of the northbound carriageway near junction 8 (Hemel Hempstead). Even with extensive traffic management measures, serious delays will be unavoidable. A special publicity programme warning of the problems will be mounted, commencing with a news conference tomorrow to explain what we are doing to minimise disruption.

CIVIL SERVICE

Departmental Committees of Inquiry

Mr. Eggar asked the Minister for the Civil Service how many departmental committees of inquiry he and his predecessors in the Management and Personnel Office, and the Civil Service Department, have commissioned since 1968; and what were the subjects the committees investigated, the dates they were established, who chaired them, and the dates they reported.

Mr. Hayhoe: The main inquiries commissioned since May 1979 are:

Subject investigated	*Chairman*	*Date appointed*	*Date reported*
Chain of Command: The Open Structure	Sir Geoffrey Wardale	1981	1981. ISBN 0 7115 0038
Civil Service Pay	Rt. Hon. Sir John Megaw	1981	July 1982. Cmnd. 8590
Selection of Fast Stream Graduate Entrants to the Home Civil Service, the Diplomatic Service and the Tax Inspectorate and of candidates from within the Service	Sir Alec Atkinson	1982	February 1983. ISBN 0 7115 00533

Information for the earlier period is not held centrally and it would be disproportionately costly to draw up a comprehensive list.

THE ARTS

Departmental Committees of Inquiry

Mr. Eggar asked the Parliamentary Under-Secretary of State answering in respect of the Arts how many departmental committees of inquiry he and his predecessors at the Office of Arts and Libraries have commissioned since 1979; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Waldegrave: Excluding departmental working parties chaired by permanent officials, inquiries undertaken by one individual, and advisory committees of a permanent nature, no departmental committee of inquiry has been commissioned since 1979.

Eastern Area (Orchestra)

Mr. Lyell asked the Parliamentary Under-Secretary of State answering in respect of the Arts what representations the Minister for the Arts has received as to the respective merits of funding the Eastern Authorities Orchestral Associations or, as an alternative, setting up a new resident orchestra to tour the eastern area; and if he will make a statement.

Mr. Waldegrave: My right hon. and noble Friend has received a small number of direct representations, but it is for the Arts Council to determine the policy for orchestral provision in Eastern England. The council published a discussion paper on 18 April and hope to receive reactions and suggestions by midsummer, and to come to a decision in the autumn.

Mr. Lyell asked the Parliamentary Under-Secretary of State answering in respect of the Arts whether any local authorities have expressed their support to the Minister for the Arts for the setting up of a new resident orchestra for the eastern area; and if he will make a statement.

Mr. Waldegrave: As I indicated in my answer of 7 May, it if for the Arts Council and not for my right hon. and noble Friend to determine policy on orchestral provision for eastern England. Several local authorities have expressed an interest in the council's proposals for a new resident orchestra. The council has published a discussion paper on the topic and will be considering formal reactions to the proposals in that paper, and coming to a decision in the autumn.

EMPLOYMENT

Health and Safety

1. **Mr. Hoyle** asked the Secretary of State for Employment if the Government have any plans to increase self-monitoring of health and safety for private companies; and if he will make a statement.

Mr. Peter Bottomley: This option, together with others put forward in the Health and Safety Commission's plan of work, is open for comment.

11. **Mrs. Renée Short** asked the Secretary of State for Employment what were the number of workplace accidents in 1984; and what were the numbers for each of the previous five years.

Mr. Peter Bottomley: The following is the information for workplace accidents from 1978 to 1983. Figures for 1984 are not yet available.

The available figures for injuries and fatalities caused by accidents at work, and of dangerous occurences, in 1983 and the previous five years are as follows. Injuries to seamen, fishermen and air transport employees reported under merchant shipping and civil aviation legislation are excluded.

	1978	*1979*	*1980*	*1981*	*1982*	*1983*
Over three-day injuries to employees	*581,000		*509,000	†434,792	†389,781	n/a
Major injuries‡						
To employees	—	—	—	12,315	12,275	12,273
To non-employees	—	—	—	5,701	5,745	6,380
Fatal injuries‖						
To employees	622	615	579	449	468	442
To non-employees	—	—	—	129	132	152
Dangerous occurrences‡	—	—	—	3,645	3,153	2,797

Notes

* Spells of certified incapacity for work resulting in industrial injury benefit claims for the years 1 June 1978—31 May 1979 and 1 June 1979—31 May 1980. Some road accidents are included which are excluded from later years' figures.

† All injuries to employees reportable under the Notification of Accidents and Dangerous Occurrences Regulations 1980, that is, absences from work for over three days (notified to HSE via DHSS), major injuries and fatalities.

‡ These categories became reportable under the Notification of Accidents and Dangerous Occurrences Regulations, in which they are defined, from 1 January 1981. Dangerous occurrences involving injury are also included in the injury count.

‖ 1978-80 figures include fatal injuries reported voluntarily before new reporting requirements were introduced in 1981, they are not necessarily complete and may include some non-employees.

Mr. Michie asked the Secretary of State for Employment if, further to the answer of 15 April, *Official Report*, column *47*, he has plans to request the Health and Safety Executive to conduct a further survey of the number of employees covered by safety representatives.

Mr. Peter Bottomley: No.

Labour Statistics

14. **Mr. Boyes** asked the Secretary of State for Employment how many people have been out of work for more than two years in Sunderland; and if he will make a statement.

Mr. Alan Clark: On 10 January 1985 the number of claimants in the Sunderland jobcentre area who had been unemployed for over two years was 6,829.

22. **Mr. Pike** asked the Secretary of State for Employment what proportion of the work force is currently unemployed ; and what was the proportion unemployed in April 1979.

Mr. Alan Clark: On 11 April 1985 13·5 per cent. of the work force in the United Kingdom were unemployed. The corresponding percentage in April 1979 was 5·2 per cent.

26. **Mr. Sedgemore** asked the Secretary of State for Employment what is the current rate of unemployment; and what are the numbers involved.

38. **Mr. Flannery** asked the Secretary of State for Employment what is the latest figure of unemployed throughout the United Kingdom.

39. **Mr. Ray Powell** asked the Secretary of State for Employment what are the current numbers unemployed; and what this is as a proportion of the work force.

Mr. Alan Clark: On 11 April 1985 the number of unemployed claimants in the United Kingdom was 3,272,565, representing an unemployment rate of 13·5 per cent.

31. **Mr. Willie W. Hamilton** asked the Secretary of State for Employment what is the latest number of people who have been unemployed for over 12 months.

Mr. Alan Clark: On 10 January 1985, the latest date for which an analysis of unemployment by duration is available, a total of 1,316,017 claimants had been unemployed for over one year in the United Kingdom.

34. **Mr. Leighton** asked the Secretary of State for Employment what was the number of employees in employment at the latest available date and in June 1979, respectively.

Mr. Alan Clark: In December 1984, the latest date for which information is available, there were an estimated 20,803,000 employees in employment in Great Britain. The corresponding figure for June 1979 was 22,619,000. The figures have been adjusted to take account of seasonal variations.

41. **Mr. Foulkes** asked the Secretary of State for Employment what is the current number of unemployed people in the European Economic Community; and what percentage of them are aged under 25 years.

Mr. Alan Clark: At the end of March 1985 there were 13·3 million registered unemployed in the Community (excluding Greece), of whom 37 per cent. were aged under 25 years, as estimated by the statistical office of the European Communities.

48. **Mr. Strang** asked the Secretary of State for Employment how many males are at present in employment; and what was the comparable figure for 1980.

Mr. Alan Clark: In December 1984, the latest date for which information is available, there were an estimated 13,788,000 males in Great Britain in the employed labour force—that is employees in employment plus the self-employed plus Her Majesty's forces. The corresponding figure for December 1980 was 14,562,000.

51. **Mr. Hardy** asked the Secretary of State for Employment what is the number and proportion of young people aged 17 or 18 years who are currently unemployed.

Mr. Alan Clark: The information is not available for the age groups requested. On 10 January 1985, the latest date for which an analysis of unemployment by age is available, there were 197,678 unemployed people under 18 years and 373,986 aged 18 and 19 in the United Kingdom. The figures represent provisional unemployment rates of 23·8 and 26·1 per cent. Respectively. These figures will shortly be revised to take account of employment estimates for mid-1984.

Mr. Ralph Howell asked the Secretary of State for Employment if he will list the regions of the United Kingdom in order of number of long-term unemployed.

Mr. Alan Clark: The following information is in the Library. The figures relate to unemployed claimants on 10 January 1985, the latest date for which an analysis of unemployment by duration is available.

Claimants unemployed over one year

Region	*Number*
South East	274,121
North West	200,121
West Midlands	164,527
Scotland	139,580
Yorkshire and Humberside	123,643
North	105,795
East Midlands	76,783
Wales	74,799
South West	67,935
Northern Ireland	61,045
East Anglia	27,668

Dr. David Clark asked the Secretary of State for Employment what percentage of women, aged between 16 and 60 years, in the United Kingdom and each of the standard regions are in employment in *(a)* a full-time and *(b)* a part-time capacity.

Mr. Alan Clark: The latest available information about the employment of women aged between 16 and 60 is from the 1983 labour force survey, as follows:

Region	*Percentage of women aged 16 and under 60 years*		
	In full-time employment*	*In part-time† employment*	*All in employment‡*
United Kingdom	32·2	23·5	56·1
North	28·5	24·2	53·0
Yorkshire and Humberside	29·9	26·2	56·6
East Midlands	32·8	24·6	57·7
East Anglia	30·1	27·5	57·9
South East	35·1	22·9	58·6
South West	30·7	26·0	57·3
West Midlands	30·3	23·3	54·1
North West	31·8	23·8	56·1
Wales	28·5	20·3	49·5
Scotland	32·7	21·6	54·8
Northern Ireland	30·9	16·6	47·7

*Normally working not more than 30 hours per week.
†Normally working more than 30 hours per week.
‡Includes those with hours of work not stated.

Mr. John Fraser asked the Secretary of State for Employment what information he has as to the levels of male and female unemployment in inner city partnership areas; and how these figures compare with unemployment in Britain as a whole.

Mr. Alan Clark: I shall reply to the hon. Member as soon as possible.

Jobcentres

16. **Mr. Prescott** asked the Secretary of State for Employment how many representations he has received about the future size of the jobcentre network; and if he will make a statement.

Mr. Tom King: Four thousand organisations and individuals were consulted on the proposals for the

jobcentre network and some 3,000 of these replied. The plans, which are now being implemented, will increase the number of jobcentres to the highest level ever, whilst at the same time improved efficiency will produce savings of some £8 million a year.

Skillcentres

17. **Mr. Wareing** asked the Secretary of State for Employment what alternatives his Department has considered to the Liverpool skillcentre, currently proposed for closure.

Mr. Peter Morrison: In addition to nearby skillcentres at St. Helens and the Merseyside advisory training unit, there are over 40 other training providers in the catchment area of the Liverpool skillcentre.

30. **Mr. Lofthouse** asked the Secretary of State for Employment if he is yet in a position to announce his decision on the future of skillcentres.

Mr. Peter Morrison: I refer the hon. Member to my reply to the hon. Member for Glasgow, Cathcart (Mr. Maxton) on 2 April at column *530*.

43. **Mr. Maxton** asked the Secretary of State for Employment what recent representations he has received on the future of the skillcentre network.

Mr. Peter Morrison: My right hon. Friend and I have received around 280 letters on the subject since the proposals for the reorganisation of the skillcentre network were announced on 28 November. We have also met 10 delegations.

Youth Training

18. **Mr. Sheerman** asked the Secretary of State for Employment what progress has been made by the Manpower Services Commission in drawing up detailed proposals for extending the youth training scheme to two years.

Mr. Tom King: The Manpower Services Commission has begun discussions with employers, trade unions and other interested bodies about the expansion of the youth training scheme, and has been asked to make detailed recommendations by the end of June.

19. **Mr. Amess** asked the Secretary of State for Employment how many places are currently allocated from the youth training scheme and the community programme to *(a)* Basildon and *(b)* Essex.

Mr. Alan Clark: At the end of March 1985, there were 1,152 approved youth training scheme places in Basildon local authority district which includes Basildon, Billericay and Wickford and 9,403 approved youth training scheme places in the county of Essex. The corresponding figures for filled places on the community programme are 334 and 1,719 respectively.

20. **Mr. Kenneth Carlisle** asked the Secretary of State for Employment what measures he proposes in order to improve the quality of training available in the community programme.

Mr. Peter Morrison: Over half of the participants on the community programme already receive some form of training directly related to their work. This is increasingly being supplemented by specially designed broader training courses provided under the adult training strategy.

27. **Mr. Heathcoat-Amory** asked the Secretary of State for Employment how many vacant places there are currently on the youth training scheme.

Mr. Peter Morrison: Information is not available in the precise form requested. At the end of March 1985 some 396,000 youth training scheme places had been approved for the 1984-85 financial year, and there were around 271,000 young people in training. Not all of these approved places were available for occupation at that time.

50. **Mr. Hunter** asked the Secretary of State for Employment how many young people are currently being trained in Hampshire on youth training schemes.

Mr. Peter Morrison: There were 6,200 young people in training on the youth training scheme in Hampshire at the end of March 1985.

Mr. Sheerman asked the Secretary of State for Employment to what he attributes the current under-occupancy of mode A youth training scheme places.

Mr. Peter Morrison: We need to provide sufficient youth training scheme mode A places to satisfy the forecast demand from eligible young people and to allow them the choice of a range of training programmes. Some places have remained unfilled because it appears that more school leavers than expected have found jobs outside the scheme.

The Manpower Services Commission and my Department will shortly be issuing circulars to commission area staff and careers officers, respectively, about the need, where there is a choice of suitable places, for young people to be submitted in preference to mode A in accordance with the Government's and the commission's aim that the scheme should be primarily employer based.

Mr. Sheerman asked the Secretary of State for Employment what assessment he has made of the relative value of mode A youth training scheme schemes and mode B youth training scheme schemes, respectively, in making the transition from school to work.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Mr. Sheerman asked the Secretary of State for Employment if he will make it his practice to refer to those who sponsor youth training schemes under both mode A and mode B as employers.

Mr. Peter Morrison: No. The large majority of trainees in the youth training scheme are not employed by scheme providers. The terms "managing agent" and "sponsor" which are currently used more accurately reflect the relationship between providers and most trainees.

Mr. Dykes asked the Secretary of State for Employment if he has been able to examine the implications of an extension of the youth training scheme facilities from one to two years on the United Kingdom retail sector.

Mr. Peter Morrison: The Manpower Services Commission's consultations about a two-year youth training scheme are at an early stage, but we will take full account of the needs and circumstances of the retail sector in drawing up detailed recommendations for the extended scheme.

Factory Inspectors

21. **Mr. Stott** asked the Secretary of State for Employment what is the present number of factory inspectors.

Mr. Peter Bottomley: On 1 April 1985 there were 845 factory inspectors employed by the Health and Safety Executive.

Unemployment Levels

23. **Mr. Roy Hughes** asked the Secretary of State for Employment what recent representations he has received concerning the present level of unemployment and on future trends.

Mr. Alan Clark: We have received many representations about the level of unemployment. This issue was discussed in the recent White Paper "Employment: The Challenge for the Nation," which set out the Government's strategy for jobs. As the White Paper makes clear, a reduction in the present level of unemployment depends on the creation of new jobs. More than 600,000 new jobs were created between March 1983 and December 1984 and we need to ensure that there are no obstacles in the way of building on that achievement.

Long-term Unemployed Persons

24. **Mr. Tom Clarke** asked the Secretary of State for Employment what Government schemes specifically attempt to retrain or find new employment for the long-term unemployed.

Mr. Peter Morrison: I refer the hon. Member to my reply to the hon. Member for Birmingham, Hodge Hill, (Mr. Davis) earlier today.

36. **Mr. Barnett** asked the Secretary of State for Employment what assessment he has made of the effect of the level of supplementary benefit on the motivation of the long-term unemployed to seek work.

Mr. Alan Clark: I know of no study which has specifically looked at the link between supplementary benefit and the motivation of the long-term unemployed to seek work. There is evidence, such as from the DHSS cohort study of unemployed men, that intensity of job search decreased with longer duration of unemployment. Econometric analysis of the results of this survey has also shown that higher benefits are associated with longer unemployment durations—holding other factors constant —but there has been no comparable study of the effect of benefits on job search.

High Technology Training

25. **Mr. Greenway** asked the Secretary of State for Employment to what extent, in formulating their policies for the training of young people, Her Majesty's Government take account of representations from high technology industries regarding the future demand for skilled personnel.

Mr. Peter Morrison: When assessing the demand for training places for young people, the Manpower Services Commission takes into account the needs of industry both locally and nationally, and seeks the views of all parts of industry, including high technology firms.

Earnings

28. **Mr. Stan Thorne** asked the Secretary of State for Employment what is the latest figure for average earnings; and what information he has as to the number of people earning *(a)* this figure and *(b)* £100 per week or less for a 40-hour week.

Mr. Peter Bottomley: The latest available figure for gross average weekly earnings of full-time workers is for April 1984 and is published in table 1 of "New Earnings Survey 1984", part A. Estimates of the numbers working full-time earning less than various amounts are published in table 29 of "New Earnings Survey 1984", part B. Copies of both these reports are available in the Library.

44. **Mr. Fatchett** asked the Secretary of State for Employment what are the numbers of people currently earning less than two thirds average male earnings; and what were the corresponding figures for May 1979.

Mr. Peter Bottomley: It is estimated that about 5·25 million adult employees working full-time earned less than two thirds of average male full-time earnings in 1984. The corresponding estimate for 1979 is 5 million. Average gross weekly earnings for full-time males aged 21 and over who worked a full week were estimated to be £98·8 in 1979 and £181·6 in 1984.

Job Creation

29. **Mr. Stuart Holland** asked the Secretary of State for Employment what measures he intends to take to offset the increasing unemployment in inner city areas, including the London borough of Lambeth.

Mr. Alan Clark: We are committed to maintaining our economic policies which are directed at holding down inflation and public borrowing, while encouraging enterprise, flexibility and competitiveness in industry and the labour market. This is the only way to generate jobs in Lambeth, other inner city areas and elsewhere. Seven inner city partnership areas—including Lambeth—will receive some £270 million of Government assistance this year through the programmes which are being co-ordinated by the new city action teams. And all inner city areas benefit from our special employment and training measures, two of which—the youth training scheme and the community programme — are to be considerably expanded.

Wages Inspectors

32. **Dr. Marek** asked the Secretary of State for Employment what are the present numbers of wages inspectors.

Mr. Peter Bottomley: There are 120 wages inspectors.

"Employment: The Challenge for the Nation"

33. **Mr. Yeo** asked the Secretary of State for Employment how many representations he has received regarding his White Paper "Employment: The Challenge for the Nation".

40. **Mr. Evans** asked the Secretary of State for Employment what representations he has so far received in response to the White Paper, "Unemployment: The Challenge for the Nation".

Mr. Peter Morrison: The White Paper "Employment: The Challenge for the Nation" (Cmnd. 9474) has been well received as a comprehensive description of the employment scene and a clear statement of the Government's strategy for jobs. My right hon. Friend and I have received many representations on the specific issues and policies discussed in the White Paper.

35. **Ms. Richardson** asked the Secretary of State for Employment what are the numbers of people earning less than £100 for a 40-hour week, pro-rata; and what proportion of these are women.

Mr. Peter Bottomley: It is estimated that about 3 million people working full-time in April 1984 earned less than the equivalent of £100 for a 40-hour week excluding overtime pay. Of these, it is estimated that just over a half were women.

City Action Teams

37. **Mr. Peter Bruinvels** asked the Secretary of State for Employment if he will detail the exact role that will be played by his Department and the Manpower Services Commission in assisting the newly-announced city action teams in various inner city areas.

Mr. Peter Morrison: Each of the five city action teams includes the Manpower Services Commission's director for the region concerned, who also acts as the Secretary of State's representative in that region. The director in northern region is the leader of the Newcastle-Gateshead team. They and their staff will be playing their full part working with colleagues from the Departments of the Environment and Trade and Industry to ensure that the best use is made of central Government programmes in the inner city areas concerned. The Government's employment and training programmes have an important role to play in assisting the regeneration of inner city areas, and the changes announced in the Budget, in particular the expansion of the community programme, will increase that contribution.

Health and Safety Inspectors

42. **Mrs. Clwyd** asked the Secretary of State for Employment what are the present numbers of health and safety inspectors.

Mr. Peter Bottomley: At 1 April 1985 there were 1,266 inspectors employed by the Health and Safety Executive.

Job Release Scheme

46. **Mr. Park** asked the Secretary of State for Employment if he has any plans to increase the take-up of the job release scheme in Coventry.

Mr. Alan Clark: The full time job release scheme has been extended until 31 March 1986 and I announced to the House on 15 March, at columns 316-17, greater flexibility in the rules of the part-time job release scheme. I hope to see increased take-up throughout the country, including Coventry.

School Leavers

47. **Mr. Holt** asked the Secretary of State for Employment how many school leavers have found employment in their first year after leaving school in each of the last four years in Langbaurgh.

Mr. Alan Clark: I regret that, as statistics on youth employment patterns derive principally from sample surveys which provide valid estimates only for the country as a whole or for major regions, the information requested is not available for Langbaurgh.

Trade Unions (Postal Ballots)

49. **Mr. Robert Atkins** asked the Secretary of State for Employment what further representations he has received about the use of postal ballots in trade union elections.

Mr. Peter Bottomley: My right hon. Friend and I have received several letters.

Departmental Committees of Inquiry

Mr. Eggar asked the Secretary of State for Employment how many departmental committees of inquiry he and his predecessors, including Ministers of Labour and Secretaries of State for Employment and Productivity, have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Peter Bottomley: I shall reply to my hon. Friend as soon as possible.

Unfair Dismissal

Mr. Holt asked the Secretary of State for Employment what plans he has for excluding all firms employing fewer than *(a)* 50 people and *(b)* 100 people from the unfair dismissal provisions of the Employment Protection Act.

Mr. Peter Bottomley: None.

Langbaurgh

Mr. Holt asked the Secretary of State for Employment what plans there are to extend and improve jobcentre facilities in Langbaurgh.

Mr. Peter Morrison: The agreed plans for the development of the employment service will involve an increase in the numbers of jobcentres from 991 to 1,065 — the highest number ever as well as substantial investment in new technology to improve the handling of job vacancies while achieving savings to the taxpayer through improved efficiency. Five jobcentres already serve the various parts of the Langbaurgh constituency and it was not felt that any additions were justified, although of course the existing jobcentres will benefit from the investment in new technology.

Mr. Holt asked the Secretary of State for Employment how many new jobs have been recorded in Langbaurgh in each of the past four years for all categories of employment; and how many of these were for part-time employment.

Mr. Alan Clark: Information about job gains is not available from the Department's statistics. Net changes in

employment can be given but, for areas smaller than regions, only for those dates when censuses of employment are taken.

The latest available figures from the 1981 census of employment showed that just over 15,000 employees were employed in the constituency of Langbaurgh. Of these, 5,000 were working part-time. Estimates from the following September 1984 census are not yet available.

Employment Protection Act

Mr. Holt asked the Secretary of State for Employment how many cases under the Employment Protection Act in the past year taken before an industrial tribunal have involved persons who have been employed for more than one year but less than two years.

Mr. Peter Bottomley: This information is not available in the form requested. On the basis of a sample analysis of complaints of unfair dismissal for the calendar year 1983 it is estimated that 1,650 such complaints heard by an industrial tribunal involved persons who had been employed for more than one but less than two years.

The figure should be treated with caution because of the margin of error inherent in the sample.

Wages Councils

Miss Boothroyd asked the Secretary of State for Employment what recommendations he has received from the Confederation of British Industry during the past year concerning wages councils; what is the policy of Her Majesty's Government concerning the International Labour Organisation's convention 26 on wages councils; and whether he will make a statement.

Mr. Peter Bottomley: In June last year the Confederation of British Industry submitted proposals for major reform of the wages councils system, or, failing that, its abolition.

Our adherence to International Labour Organisation convention 26 limits our freedom to act in the way we may judge best. We therefore propose to de-ratify the convention subject to the consultations required by International Labour Organisation rules.

Decisions on the future of wages councils will be taken when responses to the consultative paper issued on 21 March have been considered.

Hearing Protection

Mr. Flannery asked the Secretary of State for Employment what position the Government have taken on proposals for *(a)* a 90-decibel noise A level and *(b)* the compulsory wearing of hearing protection.

Mr. Peter Bottomley: The draft European directive on noise does not require all action to take effect at a single exposure level. The Government agree that 90 dB(A) is one of the levels at which appropriate action is required. The Government accept that in some circumstances the wearing of hearing protection should be compulsory but regards the Commission's amended proposal an improvement on the original as fewer workers would be required to wear personal protection at noise levels where danger to their hearing might not be apparent.

Dock Workers

Mr. Chope asked the Secretary of State for Employment how many persons are currently registered dock workers.

Mr. Peter Bottomley: The total number of registered dock workers on 30 April 1985 was 12,135.

National Dock Labour Scheme

Mr. Chope asked the Secretary of State for Employment what was the total financial contribution made by port employers to the national dock labour scheme in each of the last five years.

Mr. Peter Bottomley: The total contributions by port employers to the National Dock Labour Board (NDLB), covering the board's own operations and those of the national voluntary severance scheme (NVSS) during the past five calendar years, were as follows:

	Total	*National Dock Labour Board*	*National Voluntary Severance Scheme*
	£ million	*£ million*	*£ million*
1980	14·4	4·9	9·5
1981	17·7	5·2	12·5
1982	17·3	5·0	12·3
1983	15·9	5·0	10·9
1984	16·0	4·5	11·5

Mr. Chope asked the Secretary of State for Employment what has been the total cost to public funds of the national dock labour scheme in each of the last five years.

Mr. Peter Bottomley: The industry's national voluntary severance scheme administered by the National Dock Labour Board has received help from public funds in a variety of ways.

Loans were made by the Government to the National Dock Labour Board as follows:

	£ million
1980-81	12·3
1981-82	45·0
1982-83	11·0

Capital repayment of £1·5 million was made in 1980-81 in respect of a previous loan. Of the loans made in 1980-81 and 1981-83, £23·8 million was written off under the provisions of the Transport Act 1983. £44·5 million of the loans remains outstanding.

Interest paid on these and previous loans was as follows:

	£ million
1980-81	0·4
1981-82	2·4
1982-83	*4·0

*In respect of previous year's interest.

Under the terms of the current loan conditions, the Government have waived interest payments for the three years 1982-82 to 1984-85.

In addition, the Government have paid the following amounts of grant to the Port of London Authority and the Mersey Docks and Harbour Company in respect of the severance of registered dock workers.

	£ million
1980-81	nil
1981-82	9·7
1982-83	40·3
1983-84	17·7
1984-85	15·2

Mr. Chope asked the Secretary of State for Employment what he expects to be the total cost to *(a)* public funds and *(b)* port employers of the national dock labour scheme in 1985.

Mr. Peter Bottomley: Employers are expected to pay about £4 million for the National Dock Labour Board's operations in 1985. The costs of the industry's national voluntary severance scheme will depend on the number of severances achieved and on discussions which are now urgently in train with representatives of the National Association of Port Employers about future funding arrangements for the scheme.

Employee Involvement

Mr. Baldry asked the Secretary of State for Employment what is the policy of Her Majesty's Government towards the proposals contained in the Greater Employee Involvement Bill.

Mr. Peter Bottomley: The Government are committed to encouraging greater employee involvement. ACAS already plays an important role in this under its existing statutory duties, which are broad enough to cover the promotion of employee involvement. The Government are not convinced of the need to lay on ACAS the further specific duty of promoting the Industrial Participation Association and Institute of Personnel Management joint code. The code is being promoted effectively by those bodies and the Government have often commended it.

Mr. Baldry asked the Secretary of State for Employment what is the Government's policy towards the Institute of Personnel Management and Industrial Participation Association code, "Employee Involvement and Participation Principles and Standard of Practice," a copy of which has been sent to him.

Mr. Peter Bottomley: The Government have often commended this code as a most valuable source of advice and guidance. We particularly welcome its recognition that practices which are likely to be successful may vary from one organisation to another. The code is especially authoritative for having been drawn up by leading industrialists, trade unionists, and other practitioners in the field.

Milk Roundsmen (Child Labour)

Mrs. Renée Short asked the Secretary of State for Employment how many cases of the use of illegal child labour by milk roundsmen have been brought to his attention; and what action he has taken as a result.

Mr. Peter Bottomley: I shall reply to the hon. Member as soon as possible.

NATIONAL FINANCE

Construction Industry (Development Land Tax)

52. **Mr. Heddle** asked the Chancellor of the Exchequer what effect he estimates that the abolition of development land tax will have on job creation in the construction industry.

Mr. Peter Rees: I would refer my hon. Friend to my reply to my hon. Friend the Member for Bristol North-West (Mr. Stern) on 25 April at column 526.

Small Businesses

Mr. Eggar asked the Chancellor of the Exchequer what is the Government's attitude towards the policy of the European Commission on the harmonisation of the value added tax exemption thresholds for small businesses in the member countries of the European Economic Community; and if he will make a statement.

Mr. Hayhoe: The European Commission, in its report on national VAT schemes for small businesses, has suggested that the VAT exemption threshold should be harmonised at a level of 10,000 ecu—about £5,900—to be increased by reference to inflation, and that member states with higher levels should freeze their exemption thresholds until the Community limit catches up. This report was placed in the library with an explanatory memorandum on 27 February 1984. The European Commission has not yet made a formal proposal to the council on this subject and when such a proposal is made it would require the unanimous approval of the member states before it could be implemented. The Commission's report did not demonstrate that the United Kingdom limit, raised in the budget to £19,500, causes any significant distortion of intra-Community trade and the Government could not accept a harmonised limit pitched at such an unrealistically low level.

EC (Agriculture Expenditure)

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report*, the percentage ceiling on agricultural spending in the event of the relevant figures under the agreed formula being the same in 1985 as they were in 1984.

Mr. Ian Stewart: The method of calculating the financial guideline for agricultural expenditure, which will first apply fully for 1986 is set out in the Council conclusions on budget discipline which were placed in the Library of the House on 16 November 1984.

Development Land Tax

Mr. Heddle asked the Chancellor of the Exchequer what are the staff requirements and costs in the Inland Revenue and the development land tax office resulting from continuing to collect outstanding sums of development land tax after abolition from 19 March.

Mr. Moore: About 200 Inland Revenue staff are presently engaged on the assessment and collection of development land tax, eighty being in the development land tax office at Middlesbrough. It will cost about £5 million to collect the expected tax yield for 1984-85 of £80 million. These staff requirements and costs will decrease

as the effect of abolition works through but it is not possible to forecast precisely the rate at which these savings will be realised.

Mr. Heddle asked the Chancellor of the Exchequer what would be the saving in staff and costs in the Inland Revenue and development land tax office of abolishing outstanding liabilities to development land tax on projects of material development notified before 19 March.

Mr. Moore: Savings in staff and costs would be relatively small but the information on which to base a precise estimate is not available.

Mr. Heddle asked the Chancellor of the Exchequer if the Financial Secretary to the Treasury has considered the letter from the hon. Member for Mid-Staffordshire concerning liabilities to development land tax for projects of material development started before 19 March; and if he will make a statement.

Mr. Moore: My hon. Friend's letter has been considered.

Development land tax legislation contains a provision whereby notice may be given to vary a project already notified to the Revenue. That provision will continue to apply for projects started before 19 March 1985.

Bloodstock Breeders (VAT)

Mr. Latham asked the Chancellor of the Exchequer when he expects discussions on the draft 18th European Community directive on value added tax to be completed; and whether he envisages any early action to assist United Kingdom bloodstock breeders in advance of the completion of these discussions, with a view to eliminating their competitive disadvantages with France and Ireland.

Mr. Hayhoe: The draft 18th EC directive on VAT and the draft 19th directive, with which it is closely interlinked, propose the abolition of a range of derogations and comments have been invited from those industries, including the bloodstock interests, which are likely to be affected by the proposals. No discussions have taken place so far in the Council and any estimate of a date for completion of discussions would be purely speculative, at this stage.

As regards the last part of the question, I cannot usefully add to the reply I gave to my hon. Friend on 3 April at column 689.

Insolvency

Mr. Robert Sheldon asked the Chancellor of the Exchequer what is the amount of revenue obtained from taxes in insolvency cases where the Inland Revenue makes use of its position as a preferential creditor.

Mr. Lawson: I shall let the right hon. Member have a reply as soon as possible.

EC (VAT)

Mr. George Robertson asked the Chancellor of the Exchequer if he will list his powers to alter the amount of value added tax contribution paid by the United Kingdom to the European Economic Community.

Mr. Ian Stewart: Contributions of up to 1 per cent.1 of value added tax calculated on a harmonised base constitute part of the Community's own resources. The precise amount is determined during the budgetary process, in which the United Kingdom plays a part as a member of the Council of Ministers. The 1 per cent. ceiling on VAT own resources available to the Community may not be increased without the prior approval of Parliament.

EC (Budget)

Mr. George Robertson asked the Chancellor of the Exchequer what basis of farm prices has been used in the figures used in the letter of amendment No. 3 to the 1985 preliminary draft budget of the European Communities.

Mr. Ian Stewart: The agricultural prices underlying the Commission's estimates for agricultural expenditure in its letter of amendment No. 3 to the 1985 preliminary draft budget are based on the prices agreed last year by the Agriculture Council for the 1984-85 marketing years and the Commission's price proposals of 30 January for the 1985-86 marketing years. The Budget Council incorporated these estimates in the draft budget for 1985 which it approved on 23 April.

Mr. George Robertson asked the Chancellor of the Exchequer what is the United States dollar/European currency unit rate which has been assumed in the letter of amendment No. 3 to the 1985 preliminary draft budget of the European Community.

Mr. Ian Stewart: The Commission assumed a European currency unit/US dollar exchange rate of 1·30 for 1985 in drawing up its letter of amendment No. 3 to the preliminary draft budget for 1985.

Mr. George Robertson asked the Chancellor of the Exchequer (1) what plans have been prepared by the European Community Council of Ministers for a contingency involving the effect on the European Community budget of currency fluctuations, or varied farm prices; and if he will make a statement;

(2) what contingency funds have been earmarked by the European Community Council of Ministers for a shortfall in funds created by any failure to get ratification of the latent non-reimbursable advance by national Governments.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

State Earnings-related Pension Scheme

Dr. McDonald asked the Chancellor of the Exchequer if he will estimate the tax revenue figure in 1985-86 and 1986-87 if all those now paying into the state earnings-related pension scheme transferred to private personal or company occupational pension schemes in 1985-86 and 1986-87.

Mr. Moore: An estimate of the change in tax revenue would depend upon the assumptions made about the levels of contribution by employers and employees to private and occupational schemes after transfer from the state earnings-related scheme.

Dr. McDonald asked the Chancellor of the Exchequer if he will estimate the loss of revenue if those pensioners now in receipt of the state earnings-related pension received the basic state pension alone, in 1985-86 and 1986-87.

Mr. Moore: I shall let the hon. Member have a reply as soon as possible.

Mortgage Interest Tax Relief

Mr. Ashley asked the Chancellor of the Exchequer how many married couples claim the maximum amount of mortgage tax relief; and what proportion this is of all married couples.

Mr. Lawson [*pursuant to his reply*, 25 April 1985, c. *529*]: It is estimated that about 425,000 married couples claim mortgage interest relief in respect of the qualifying portion of a mortgage loan of £30,000 or more. These are just under 4 per cent. of the total of tax-paying married couples.

Truck Manufacturers (Taxation)

Mrs. Ann Winterton asked the Chancellor of the Exchequer what information he has concerning the total taxation revenue generated by firms manufacturing trucks in the last five years for which figures are available.

Mr. Moore [*pursuant to his reply*, 1 May 1985, c. *141*]: I regret that information distinguishing the manufacture of trucks from other motor manufacture is not available.

EC Directives

Mr. Foulkes asked the Chancellor of the Exchequer if he will list in the *Official Report* the details of each directive from the EEC since 1979 relevant to his Department; and what action he has taken in each case.

Mr. Ian Stewart [*pursuant to his reply*, 2 May 1985, c. *244*]: Directives adopted by the Council of Ministers for which the Treasury has lead responsibility are as follows:

Council directive 83/350 on the supervision of credit institutions on a consolidated basis.

This comes into effect on 1 July 1985. The Bank of England will in due course publish a statement describing how it undertakes consolidated supervision of banks under the existing provisions of the Banking Act 1979 in a manner consistent with the directive.

Council directive 80/767 which adapts and supplements in respect of certain contracting authorities directive 77/62 coordinating procedures for the award of public supply contracts.

EC directive 80/767 adapts and supplements the earlier EC directive 77/62 which coordinates procedures for the award of public supply contracts in EC member states and lays down common conditions of competition. EC 80/767 modifies the earlier directive to take account of the provisions of the GATT agreement on Government procurement (Cmnd. 7662). The effect of the directive is to ensure that British suppliers are not placed at a disadvantage compared with competitors from other signatories of the GPA when tendering for contracts in other EC countries. The directive has been implemented by administrative circular to departments and other bodies affected by it.

SCOTLAND

Rates

Mr. David Marshall asked the Secretary of State for Scotland how many households in Scotland do not pay rates; and what percentage of the total this figure represents.

Mr. Ancram: There are some 4 million adults registered to vote on the electoral rolls in Scotland, and some 2 million domestic properties on the valuation rolls. Some 700,000 householders received assistance with their domestic rate bills in 1984-85 through the housing benefit system. On the basis of these figures, around 50 per cent. of electors, being non-householders, are not liable to pay any rates, and a further 18 per cent, on income grounds, pay either no rates at all or only a part of their rate bills.

Agricultural Colleges (Advisory Services)

Mr. Steel asked the Secretary of State for Scotland if he will make a statement on the effects of the cut in funding for the advisory services operated by Scotland's agricultural colleges and on the standard of service offered by these bodies.

Mr. Younger: My right hon. and noble Friend the Minister of State recently had a detailed meeting on this question with the chairman of the council of the colleges and the three college principals, and discussions are continuing between my department and the colleges about the ways in which the reduction in public funding in 1987-88 can be implemented. It is my intention that the present high standards of service offered by the advisory services in Scotland should be maintained, and that the representative bodies directly concerned should be given an opportunity in due course to comment on the details of any proposals for change in the way in which these services are delivered before changes take effect.

Defective Houses

Lord James Douglas-Hamilton asked the Secretary of State for Scotland whether he intends to make regulations under the Housing Defects Act so that the owner of an Orlit house or other house covered by the terms of the Housing Defects Act will be entitled to a grant if he or she has purchased the house from another private owner, the property having been previously a tenanted council house.

Mr. Ancram: The Housing Defects Act already makes provision for grant, in the circumstances described, provided certain conditions under that Act are met.

Young Offenders

Mr. Kilroy-Silk asked the Secretary of State for Scotland (1) what proportion of offenders *(a)* under 17 and *(b)* under 16 years who have committed indictable offences in each of the last 10 years have been (i) sentenced by courts, (ii) dealt with by children's hearings, (iii) received official warnings from the police or (iv) been otherwise dealt with, respectively;

(2) what proportion of the total number of offenders aged *(a)* under 17 and *(b)* under 16 years who have been dealt with by courts and children's hearings for indictable

offences in each of the last 10 years have received custodial sentences and supervision with a residential condition, respectively.

Mr. John MacKay: Information for the last 10 years could be obtained only at disproportionate cost. Figures for the most recent five-year period are given in the following table. Children's hearings statistics do not differentiate between types of offence committed by children; the figures therefore give all referrals to reporters to children's panels on offence grounds. For consistency, figures of cases dealt with by courts are provided on the same basis.

	1979	*1980*	*1981*	*1982*	*1983*
1. *Children aged 16*					
(i) sentenced by courts	8,487	9,819	9,268	8,388	8,710
(ii) referred to reporter to children's hearings*			Not available		
(iii) official warnings from police†	115	86	450	1,156	583
(iv) dealt with otherwise than as in (i)-(iii)			NIL		
(v) received custodial sentences	416	459	437	489	596
(vi) placed on supervision with a residential requirement	Not available	Not available	9	3	4
2. *Children under 16*					
(i) sentenced by courts	866	938	811	618	635
(ii) referred to reporter to children's hearings*	20,873	22,303	23,912	22,747	23,291
(iii) official warnings from police†	7,940	7,450	6,817	6,675	8,235
(iv) dealt with otherwise than as in (i)-(iii)			NIL		
(v) received custodial sentences	105	99	77	88	107
(vi) placed on supervision with a residential requirement	Not available	907	911	872	937

Notes:

* Item 2(ii) includes children aged 16, for whom detailed figures are not readily available; they are estimated to account for some 1 per cent. of the total. Reporters dealt with the following numbers under their discretionary powers without reference to hearings.

1979— 9,297
1980— 9,738
1981—11,006
1982—10,892
1983—11,609

† These figures are affected by variations in recording practices. Consideration is being given to this problem.

Transport Subsidies (Strathclyde)

Mr. McTaggart asked the Secretary of State for Scotland if he will publish in the *Official Report (a)* the total subsidies paid in each year since 1975 by Strathclyde regional council, under section 20 of the Transport Act 1968, to support British Rail's commuter traffic serving Glasgow and *(b)* the percentage which each of these sums represented of the region's total revenue spending in each year.

Mr. Ancram: The information is as follows:

	(a) Strathclyde Section 20 Subsidy (£m)	*(b) (a) as percentage of Region's Total Revenue Expenditure**
1975-76	8·1	1·8
1976-77	7·6	1·3
1977-78	8·5	1·4
1978-79	12·1	1·7
1979-80	14·9	1·9
1980-81	25·7	2·6
1981-82	23·3	2·0
1982-83	26·5	2·1
1983-84	27·2	2·1
1984-85	26·8	2·0

* The total revenue expenditure figures used for comparison with expenditure on S.20 payments are taken from the appropriate editions of the Chartered Institute of Public Finance and Accountancy Publication "Rating Review". The figures include all expenditure relevant for rate support grant purposes, including loan charges, and any non-relevant expenditure recorded in the publication.

Housing Associations

Mr. Craigen asked the Secretary of State for Scotland if he will make a statement regarding the allocation of the additional £2 million towards the expansion of shared-ownership schemes in Scotland, indicating *(a)* whether the difficulties facing housing associations wishing to design and build schemes in terms of section 127 of the Housing Act 1980 have now been resolved and *(b)* the number of houses purchased from private builders and sold to date.

Mr. Ancram: When my right hon. Friend recently announced his decision to increase the allocation to the Housing Corporation by £2 million, he indicated his wish that most of the additional resources, perhaps £1·5 million should be applied to an expansion of shared ownership. He hoped that the balance might be used for housing for the disabled. The Housing Corporation will now prepare a revised development programme to accommodate the additional allocation.

The provisions of section 127 of the Housing Act 1980 do present certain difficulties to housing associations operating shared ownership schemes in Scotland and these have not yet been fully resolved. Nevertheless, associations have gained experience in the operation of shared ownership in recent years and have acquired greater expertise in identifying the types and locations of houses best suited to both the requirements of shared ownership and the housing needs of the area.

This is illustrated by the fact that, in the three shared ownership programmes undertaken since February 1982, 421 of the 433 houses acquired for the purpose have attracted sharing owners.

Dunblane Bypass

Mr. Michael Forsyth asked the Secretary of State for Scotland what were the reasons which prevented his Department from announcing the route of the Dunblane bypass as promised at the end of March or April; and whether he is now in a position to announce the proposed line of the bypass.

Mr. Ancram: The Scottish Development Department had hoped to receive by the end of March or April the report of the consultants studying possible lines for the bypass, but their discussions with local landowners have taken longer than expected. The report is now expected this month. Once a preferred line has been selected, a draft trunk road order will be published as quickly as possible.

Hospital Beds

Mr. Wilson asked the Secretary of State for Scotland what were the net changes in hospital bed complements in each Scottish health board area during the five-year period September 1979 to September 1984; and how the figures compare with the preceding five-year period.

Mr. John MacKay: The information requested is as follows;

Health Board	*September 1974-September 1979*	*September 1979-March 1984*
Argyll and Clyde	−143	−43
Ayrshire and Arran	+48	+249
Borders	−101	+11
Dumfries and Galloway	−37	−124
Fife	−80	+237
Forth Valley	−90	−282
Grampian	−423	+176
Greater Glasgow	−1,382	−323
Highland	−74	−173
Lanarkshire	−77	−131
Lothian	−419	+4
Orkney	+14	+2
Shetland	No change	No change
Tayside	−492	−324
Western Isles	No change	−17
Scotland	−3,256	−738

Notes:
September 1984 figures are not yet available.
Excluding joint-user and contractual beds.
Details of bed complements for each health board are set out in "Hospital Utilisation Statistics", which has been published by the information services division of the Common Services Agency of the Scottish Health Service each year since 1976.

Myocardial Infarction

Mr. Wilson asked the Secretary of State for Scotland what was the incidence of myocardial infarction in Scotland in 1983 and in each of the preceding four years.

Mr. John MacKay: This information is not available centrally.

Coronary Artery Disease (Deaths)

Mr. Wilson asked the Secretary of State for Scotland what was the number of deaths due to coronary artery disease in Scotland in 1984 and in each of the preceding four years.

Mr. John MacKay: The number of deaths classified as being due to ischaemic heart disease were:

	Number
1980	17,885
1981	18,453
1982	18,633
1983	18,335
*1984	18,107

*Provisional.

NHS Expenditure

Mr. Wilson asked the Secretary of State for Scotland if he will give details of the expenditure on the National Health Service in Scotland, in real terms, for the years 1975-76 onwards to the present time.

Mr. John MacKay: The information requested is as follows:

	£ million
1975-76	1,448·9
1976-77	1,454·2
1977-78	1,441·4
1978-79	1,504·9
1979-80	1,535·4
1980-81	1,635·7
1981-82	1,698·0
1982-83	1,723·0
1983-84	1,758·1
*1984-85	1,819·0

*Provisional.
Note: The figures given are for gross expenditure expressed in 1983-84 cost terms, using GDP deflator factors.

Hospitals

Mr. Wilson asked the Secretary of State for Scotland if he will list the hospitals and hospital wings in Scotland which closed during 1984, giving the total number of beds lost with each closure.

Mr. John MacKay: Details relating to complete hospitals taken out of use in 1984 are given below. comprehensive detailed information on partial closures is not held centrally. Most of the beds closed have been replaced in existing facilities:

	Number of beds
Argyll and Clyde Health Board	
Finnartmore auxiliary hospital, Kilmun	32
Ayrshire and Arran Health Board	
Buckreddan maternity hospital, Kilwinning	26
Grampian Health Board	
County hospital, Dufftown	26
Shetland Health Board	
Old Gilbert Bain hospital, Lerwick	19

Note: The bed figures shown are the approved bed complements at the time of closure.

Mr. Wilson asked the Secretary of State for Scotland if he will list the hospitals, or new hospital wings, which opened during 1984 and give the total number of beds gained in each case.

Mr. John MacKay: Details of new hospital buildings funded from the central building programme, brought into use during 1984, are given below. Comprehensive information on locally funded schemes is not held centrally. The total bed compliment is given, but beds which replace outdated facilities elsewhere are not additions to the overall complement:

	Number of beds
Argyll and Clyde Health Board	
Dunoon and district general hospital	* 30
Merchiston hospital—phase 1	120
Forth Valley health board	
Sauchie hospital	60
Greater Glasgow health board	
Gartloch hospital	120
Lanarkshire health board	
Kirklands hospital—phase 1	120

* 10 day places.

Geriatric Hospitals

Mr. Wilson asked the Secretary of State for Scotland what is the total number of beds available in geriatric hospitals or units in Scotland at the present time; and if he will give relevant figures as at 30 September 1984, 1983, 1982 and 1981.

Mr. John MacKay: The average number of staffed hospital beds for geriatric patients available in Scotland on the dates shown were as follows:

	Average number
30 September 1981	9,995
30 September 1982	10,146
30 September 1983	10,401
31 March 1984 (latest available date)	10,531

Cervical Cancer

Mr. McKelvey asked the Secretary of State for Scotland if he will make a statement outlining the arrangments made by each health board for the provision of cervical smear tests.

Mr. John MacKay: A report by a working party on cervical cytology services in Scotland, which the Scottish Home and Health Department drew to the attention of health boards in December 1978, gave expert guidance on the operation of such services. This guidance is still valid; but in view of recent public concern the Department asked health boards on 29 March for detailed information on the service being provided in their respective areas. I shall be reviewing the position when this information has been assessed, and if any further action is called for as a result I shall give urgent consideration to this.

Mr. McKelvey asked the Secretary of State for Scotland if he will publish in the *Official Report* statistics in each health board area for *(a)* the number of women who have died from cervical cancer in each of the last five years and *(b)* the number of those who died who had previously undergone smear tests.

Mr. John MacKay: The statistics are given in the accompanying table. Information is not available on the number of women who died who had previously undergone smear tests.

Health Board Area	*Deaths from Cervical Cancer†*				
	1980	*1981*	*1982*	*1983*	*1984**
Borders	1	2	—	3	4
Forth Valley	13	8	6	8	14
Dumfries and Galloway	10	2	6	8	6
Fife	17	15	19	23	22
Grampian	16	19	12	14	21
Highland	5	8	6	10	10
Lothian	17	37	29	30	31
Argyll and Clyde	17	15	19	19	19
Ayrshire and Arran	15	13	25	10	20
Greater Glasgow	44	45	43	43	49
Lanarkshire	14	17	25	33	16
Tayside	15	16	13	10	13
Orkney	2	3	1	2	—
Shetland	—	1	2	—	—
Western Isles	1	—	2	—	2
Totals	187	201	208	213	227

* Provisional—not yet published.
† ICD 180 malignant neoplasm of cervix uteri.

Hospitals (Beds and Nurses)

Mr. Norman Hogg asked the Secretary of State for Scotland what is the number of *(a)* hospital beds and *(b)* qualified nurses per head of population.

Mr. John MacKay: At 31 March 1984 the total bed complement of all NHS hospitals in Scotland represented 11·7 per 1,000 of the population and the number of qualified nurses employed in hospitals represented 5·3 per 1,000 of the population.

Renal Treatment (Funding)

Mr. Craigen asked the Secretary of State for Scotland if he will indicate the funding available for renal treatment in the west of Scotland in the current year and in 1984-85 and the number of staff and patients, respectively; and what discussions he has had with the area health boards in the west of Scotland and the Kidney Patients Association about the level of funding.

Mr. John MacKay: I shall reply to the hon. Member as soon as possible.

Cormorants

Mr. Kilroy-Silk asked the Secretary of State for Scotland why he has issued licences to kill cormorants for causing damage to fisheries rather than for causing serious damage to fisheries as specified in the Wildlife and Countryside Act 1981.

Mr. John MacKay: I can confirm that the licences are issued in terms of the provisions of the Wildlife and Countryside Act 1981 relating to the prevention of serious damage to fisheries.

Rent (Scotland) Act 1984

Mr. Craigen asked the Secretary of State for Scotland whether he has any plans to amend the Rent (Scotland) Act 1984.

Mr. Ancram: The Government are presently examining the legislation relating to the private rented

sector. This is a complex subject which requires careful consideration and my right hon. Friend will announce his intentions as soon as possible.

Sexual Offences (Report)

Mr. Foulkes asked the Secretary of State for Scotland (1) if he will call for a report from the chief constable of Strathclyde as to what disciplinary action has been taken against police officers as a result of the dispute over publication of his Department's research report of sexual offences;

(2) if, in the light of the dispute between his Department and the Strathclyde police force over publication of his Department's research report on sexual offences, he will review the arrangements for the future publication of similar reports;

(3) if he will publish in the *Official Report* the letter he has received from the chief constable of Strathclyde relating to the dispute over publication of his Department's research report on sexual offences;

(4) if he will appoint an independent person to inquire into the dispute between hit Department and the Strathclyde police force relating to the publication of his Department's research report on sexual offences; and if he will make a statement.

Mr. Ancram: The arrangements for the publication of research studies conducted by the Scottish Home and Health Department into aspects of police practice are clear. The Scottish Home and Health Department first discusses with the police the scope and nature of the proposed research. It then gathers evidence, prepares a draft report based on it, consults the relevant police forces for comment on the draft, considers whether to amend the draft in the light of such comment and submits the report through me to my right hon. Friend for him — and nobody else—to decide on the question of publication. This practice was followed with regard to the study of the police investigation into complaints of sexual assault, which was duly published in 1983. My right hon. Friend sees no cause for altering this standard research practice and it will be followed in respect of any subsequent research study.

During the preparation of the sexual assaults study in 1983 Strathclyde police criticised some of the material incorporated in the draft and challenged its accuracy. The Scottish Home and Health Department was able to demonstrate that the criticism was unjustified and arose from differences between, on the one hand, a version made available to the researchers of the initial records made by the police relating to alleged assaults and, on the other hand, records of such assaults made subsequently for the Strathclyde police file and also a precognition. As I informed the House on 2 May at column 447, the differences between the material seen by the Scottish Home and Health Department's researchers and the material held on record by the police were readily explainable: they were minor in extent, consisting of changes in phraseology which did not in any way affect the substance. It is to the credit of the chief constable of Strathclyde that, when the matter was drawn to his notice, he investigated within his force and wrote to the Scottish Home and Health Department apologising for the unfounded criticism that had been levelled at its officers and informing the Department that he had taken appropriate action in relation to his officers who had challenged the report's accuracy. When the research study was published the quotations from the police reports which had been the subject of this correspondence appeared as in the researchers original draft. After the research study was published changes were made in police practice.

When the hon. Member and the hon. Member for Glasgow, Cathcart (Mr. Maxton) raised this matter earlier this year with my right hon. Friend, they were informed of the full circumstances and were shown the relevant reports in the two versions. They have also been shown by the chief constable the letter of apology which he sent to the Scottish Home and Health Department in 1983. This matter was resolved satisfactorily in that year and my right hon. Friend does not consider that action on the lines suggested by the hon. Member is necessary.

Rates

Lord James Douglas-Hamilton asked the Secretary of State for Scotland (1) what are the average rates payments for *(a)* domestic ratepayers, *(b)* commercial ratepayers and *(c)* industrial ratepayers, for each district and region in Scotland;

(2) what is (i) the average increase in the rateable values, and (ii) the present average rateable values in each district and region in Scotland of *(a)* domestic ratepayers, *(b)* commercial ratepayers and *(c)* industrial ratepayers; and if he will publish a table or tables.

Mr. Ancram: I am obtaining this information and hope to publish it in the *Official Report* shortly.

Birds (Licences)

Mr. Kilroy-Silk asked the Secretary of State for Scotland how many licences he has issued in *(a)* 1984 and *(b)* so far in 1985 to kill birds under section 16 of the Wildlife and Countryside Act; and if he will indicate in each case the species of bird involved, the number allowed to be killed, the location and the reason.

Mr. John MacKay: Details of licences issued by my right hon. Friend in 1984 and so far in 1985, for the killing of wild birds under section 16 of the Wildlife and Countryside Act 1981 are set out in the following tables.

Licences issued for the prevention of serious damage to fisheries

Species	*Number of licences*	*Number of birds killed*	*Location*
1984			
Mergansers	10	203	Lochailort, Laggan and Duich, Spean, Spey and Findhorn, Conon, Awe, Alness, Dee (Aberdeenshire)
Cormorants	14	505	Loch Leven, Lochailort, Doon, Laggan and Duich, Spean, Nairn, Annan, Awe, Conon, Tay, Tweed
Goosanders	2	134	Tweed

Species	Number of licences	Number of birds killed		Location
Cormorants, Mergansers and Goosanders	10	C	367	Loch Maree, South Esk, Spey and Findhorn, Tay, Ythan,
		M	129	Shin
		G	157	
Cormorants and Mergansers	1	C	14	Brora
		M	45	
Mergansers and Goosanders	17	M	139	Doon, South Esk, Spey and Findhorn, Annan, Awe, Tay,
		G	223	Shin, Dee (Aberdeenshire), Don, Ness
Herons	6		44	Dumfries and Galloway, Highland and Tayside*
1985 (to date)				
Mergansers	2		†	Laggan and Duich, Brora
Cormorants	20		†	Lochailort, Doon, Laggan and Duich, Brora, South Esk, Nairn, Annan, Awe, Tay, Tweed
Cormorants, Mergansers and Goosanders	2		†	Spey and Findhorn, Naver
Mergansers and Goosanders	18		†	South Esk, Spey and Findhorn, Annan, Awe, Tay, Tweed, Dee (Aberdeenshire), Nith

* Location by administrative Region.
† Not yet known.

Licences issued for preserving public health and prevention of serious damage to crops

All Scotland figures

Species	Prohibited method	Number of licences	Number of birds taken	Reason
1984				
Feral Pigeons and House Sparrows	Stupefying bait	110	*2,173	Preserving public health
House Sparrows	Mist netting	25	*136	Preserving public health
Feral Pigeons, House Sparrows, Starlings	Artificial light	4	n/a	Preserving public health
Barnacle Geese	n/a	9	†38	Prevention of serious
		26	‡	damage to crops
Greylag and Pink Footed Geese	n/a	28	158	Prevention of serious
			44	damage to crops
Greylag and Canada Geese	n/a	1	4	Prevention of serious
			1	damage to crops
Canada Geese	n/a	1	—	Prevention of serious damage to crops
1985				
Feral Pigeons and House Sparrows	Stupefying bait	72	‡n/a	Preserving public health
House Sparrows	Mist netting	23	‡n/a	Preserving public health
Barnacle Geese	n/a	8	‡n/a	Prevention of serious damage to crops
Greylag and Pink Footed Geese	n/a	51	‡n/a	Prevention of serious damage to crops

* Provisional.
† 1983-84 season.
‡ 1984-85 season. Returns not yet available.

Licences issued by SHHD

Species	Number of licences	Number of birds killed	Location	Reason
1984				
Oystercatcher, Black-headed gull, Common gull, Crow, Collared dove, Great Black-backed gull, Lesser Black-backed gull, Herring gull, Jackdaw, Jay, Magpie, Feral Pigeon, Rook, House Sparrow, Starling, Wood Pigeon, Lapwing or their nests or eggs.	1 General	28 eggs destroyed 14 nests destroyed 98 birds killed	Airfields	For the preservation of air safety
Thrush and Blackbird	2	14 Blackbirds	Hamilton, Motherwell, and East Kilbride	Killing for quarry
Gannets	1	2,000	Sula Sgeir	Provision of food for human consumption
Greylag Geese	4	2	Specially protected breeding site Caithness	To prevent serious damage to crops
1985				
Greylag Geese	5	Not yet known	Specially protected breeding site Caithness	To prevent serious damage to crops

Written Answers to Questions

Wednesday 8 May 1985

DEFENCE

Artillery Locating Equipment

Mr. Best asked the Secretary of State for Defence if he will make a statement about the development of proposed artillery locating equipment.

Mr. Butler: We are examining ways of improving our capability for weapon location. A number of United Kingdom firms are undertaking studies, and we are investigating the possibilities for collaboration with our allies.

Field and Anti-aircraft Gunners

Mr. Best asked the Secretary of State for Defence what percentage of the United Kingdom's Army personnel are field and anti-aircraft gunners; by how much these figures have changed over the last 10 years for which figures are available; and if he will also give such estimates as he has as to the comparable data relating to the army of the Union of Soviet Socialist Republics.

Mr. Lee: The field and air defence regiments of the Royal Artillery account for 3·9 and 1·3 per cent. respectively of the trained strength of the Regular Army. Equivalent figures for the last 10 years, and comparable data for the army of the Union of Soviet Socialist Republics, could be provided only with disproportionate effort and expense.

Defence Act 1842

Mr. Andrew F. Bennett asked the Secretary of State for Defence if he will list the last five occasions since 1979 on which he, or his predecessors, used the powers in sections 16 and 17 of the Defence Act 1842 to stop up or divert any public footpaths or bridleways, stating in each case *(a)* the date of the stopping up or diversions, *(b)* the footpaths or bridleways affected by the stopping up or the diversions, and *(c)* the lengths of footpaths and bridleways stopped up and the length of footpath or bridleway created under the exercise of the powers.

Mr. Lee: The Defence Act 1842 has been used on one occasion since 1979 to stop up a bridleway. The details are as follows:

(a) 5 February 1985.
(b) Bridleway Molesworth No. 28.
(c) 1·17km and 2·15 km.

Mr. Andrew F. Bennett asked the Secretary of State for Defence what rights of objection the public has to a proposal to stop up or divert a public footpath or bridleway under section 16 of the Defence Act 1842.

Mr. Lee: None.

Mr. Andrew F. Bennett asked the Secretary of State for Defence when, and where, he next plans to use section 16 of the Defence Act 1842 to stop up or divert a public footpath or bridleway.

Mr. Lee: As and when the need arises.

Ex-gratia Payments

Mr. McCusker asked the Secretary of State for Defence how many ex-gratia payments were made in 1984 to members, ex-members, or dependants of former members of Her Majesty's forces; and what were the reasons for such payments.

Mr. Lee: Ex-gratia payments are made to members and ex-members of the armed forces and their dependants for a wide variety of reasons and no central record is maintained of the number of such payments and the reasons for them. However, no ex-gratia payments were made in 1984 in cases arising out of the operations of section 10 of the Crown Proceedings Act 1947.

Pensions

Mr. McNamara asked the Secretary of State for Defence whether, pursuant to his reply of 15 April, *Official Report*, column 66, to the hon. Member for Kingston upon Hull, North, he will list the individual clerical errors which resulted in £188,372 being returned to service pensioners as arrears of pensions previously underpaid, indicating in each case the nature of the clerical error.

Mr. Lee: Further checking has shown the estimate of £188,372 to be overstated. It should be revised to £187,091. The individual errors that gave rise to this total of arrears being returned to service pensioners are:

Category of error	*Number of errors in the category*	*Arrears returned* £
(a) Simple arithmetical error	59	37,853
(b) Oversight of further action	32	30,135
(c) Incorrect input to computer	25	21,573
(d) Incorrect interpretation of regulations	18	86,191
(e) Incorrect information passed to Paymaster General's Office	13	11,339
TOTALS	147	187,091

Mr. McNamara asked the Secretary of State for Defence whether, following the letter of the head of Man. S (Org) of his Department to Mr. T. G. Robson, Secretary of his Department's Council of Civil Service Unions of 2 April on the Rayner review of pensions, he will list what steps have been taken to check the state of affairs and put the matter right, where necessary, following the errors which have arisen in the course of the transfer of the original documentation on Royal Navy/Royal Marine pensions to the Paymaster-General's office.

Mr. Lee: A check of every RN ratings and RM other ranks pension will be carried out and the necessary corrections made.

Mr. McNamara asked the Secretary of State for Defence whether he will list all pensionable allowances in all three services apart from basic pay.

Mr. Lee: There are no allowances received by service men that are relevant to the calculation of a service pension.

Mr. McNamara asked the Secretary of State for Defence what rank categories were included in the

transcription from manual records to computers of the three services for the purpose of the computerisation of service pension records.

Mr. Lee: In the computerisation of pension payment records the ranks affected were those of warrant officer class I and equivalent and below.

Mr. McNamara asked the Secretary of State for Defence on what date the computer storing Royal Air Force airmen's pension records closed down; what was the reason for the closure; and why manually recorded records are now being used to calculate airmen's pensions and to answer inquiries.

Mr. Lee: Royal Air Force airmen's pensions are maintained on either the Paymaster General's computer system at Crawley or the Director General of Defence Accounts computer system at Bath, neither of which has been closed down.

Royal Air Force airmen's pensions are awarded by the Director General of Defence Accounts staff at Worcester. The calculation of these pensions has always been undertaken manually on the basis of information provided from Royal Air Force pay and personnel records. Manually recorded records have always been referred to by the accounts staff at Worcester prior to answering inquiries.

Ex-Senior Civil Servants (Appointments)

Mr. Boyes asked the Secretary of State for Defence what information he has as to the number of civil servants who resign or retire from his Department and take up appointments in defence-related industries other than immediately after leaving the Civil Service; and if he will make a statement.

Mr. Butler: Civil servants resigning or retiring from the Ministry of Defence in order to take up appointments in defence-related industries are required to seek prior departmental approval before so doing. This requirement remains effective for a period of two years following an individual's date of retirement or resignation. The number of civil servants who take up such appointments within the two years is not readily available. The number who take up appointments after two years is not known to my Department.

Mr. Boyes asked the Secretary of State for Defence if he will break down by grade and division within his Department the officials who have left to take jobs in industry in each of the years from 1980 to 1984.

Mr. Butler: The number of civil servants who made applications under the business appointments rules in the years in question are as follows:

	1980	*1981*	*1982*	*1983*	*1984*
Below Higher Executive and equivalent	13	6	27	37	84
Higher Executive Officer and equivalent	14	17	32	44	67
Senior Executive Officer and equivalent	11	24	33	53	74
Principal and equivalent	21	28	19	44	89
Senior Principal and equivalent	6	7	9	23	32
Assistant Secretary and equivalent	5	7	8	13	22
Under Secretary	4	6	7	7	8
Deputy Secretary	—	2	2	3	4
Second Permanent/Permanent Secretary	—	1	—	—	1
TOTAL	74	98	137	224	381

Lists of the areas within the Ministry of Defence in which the individuals concerned were employed are not readily available.

Mr. Boyes asked the Secretary of State for Defence what steps he has taken to establish the companies subsequently employing civil servants who have resigned from his Department in each of the years from 1980 to 1984; and if he will list each of the subsequent employers concerned.

Mr. Butler: Civil servants resigning from the Ministry of Defence to take up alternative employment are required to notify details of their prospective employer(s) where the company concerned is in a contractual or other special relationship with the Department. Certain more senior grades, of the rank of under secretary and above, are required to notify any intended employment. No comprehensive list of companies or bodies employing former civil servants is available.

Departmental Selection and Management Organisation Procedures

Mr. Boyes asked the Secretary of State for Defence what steps he is taking to re-evaluate selection and management organisation procedures in his Department in the light of the steady increase in the rate of departure of his civil servants for jobs in industry.

Mr. Butler: None.

Resignations

Mr. Boyes asked the Secretary of State for Defence what assessment he has made of the reasons given by civil servants resigning from his Department in each of the years from 1980 to 1984.

Mr. Butler: Civil servants resigning from the Ministry of Defence to take up alternative employment are not required to provide specific reasons for so doing; but where such information is volunteered, the reasons given vary widely and include such reasons as domestic circumstances and better career prospects.

Defence Research and Intra-mural Research Committee

Mr. Boyes asked the Secretary of State for Defence how the recent reorganisation of his Department affected the defence research and intra-mural research committee; and what are its present functions and composition.

Mr. Butler: The defence research and intra-mural research committee (DRIRC) was replaced in the recent MOD reorganisation by a new body, the defence research committee (DRC). This committee has a similar task to its predecessor: to provide advice to the Chief Scientific Adviser (CSA) on policy options and priorities concerning scientific and technological research and, against the background of resource availability, to provide guidance to the Controller of R and D Establishments, Research and Nuclear (CERN) regarding the content of his research programme.

Membership of the new committee includes representatives of the major R and D "customers", the defence staff, the defence scientific staff, and the office of management and budget. Other scientific advisers and representatives of other Government Departments may also be invited to attend.

Defence Scientific Advisory Council

Mr. Boyes asked the Secretary of State for Defence what are the present functions and membership of the defence scientific advisory council.

Mr. Butler: The defence scientific advisory council is established to advise the Secretary of State for Defence on scientific and technological matters of concern to the Ministry of Defence. The chairman and other independent members are all distinguished scientists in the academic or industrial world, and their contributions to the MOD through the DSAC are much appreciated. Each is appointed in his personal capacity by the Secretary of State.

Defence Secretariat 17

Mr. Boyes asked the Secretary of State for Defence which parts of his Department now handle the responsibilities formerly handled by defence secretariat 17.

Mr. Stanley: I shall answer shortly.

Sensitive Information

Mr. McNamara asked the Secretary of State for Defence what measures are taken in his Department to account for documents and manuals containing sensitive information.

Mr. Butler: Ministry of Defence security regulations specify the measures to be taken, which vary according to the classification of the documents and manuals.

Mr. McNamara asked the Secretary of State for Defence if he will make a statement concerning the classified defence documents found lying on a rubbish dump near the Thames barrier.

Mr. Butler: Investigations are in progress into the circumstances surrounding the discovery of these documents and it would be wrong to comment further until these investigations have been completed.

Mr. McNamara asked the Secretary of State for Defence whether he will re-examine the procedures for the disposal of manuals and documents containing sensitive information.

Mr. Butler: Security procedures are regularly reviewed and changes are made when necessary.

Mr. Michael McNair-Wilson asked the Secretary of State for Defence whether he will make a statement about the circumstances in which the plan of a proposed new security fence for AWRE Aldermaston were found in south-east London by two schoolboys near a rubbish tip.

Mr. Butler: Investigations are in progress into the circumstances surrounding the discovery of these documents, and it would be wrong to comment further until these investigations have been completed.

Mr. McNamara asked the Secretary of State for Defence what were the documents relating to Tornado which were found on a rubbish dump near the Thames barrier.

Mr. Butler: Restricted documents relating to the servicing of the Tornado aircraft, reproduced on microfiche.

Mr. McNamara asked the Secretary of State for Defence what were the documents relating to the Aldermaston research centre which were found a rubbish dump near the Thames barrier.

Mr. Butler: A plan of part of an internal security fence and of adjacent areas at AWRE Aldermaston, classified restricted.

HMS Otter

Mr. Gordon Brown asked the Secretary of State for Defence by whom the propellor shafts of HMS Otter are being repaired; and if he will make a statement.

Mr. Lee: Replacement propellor shafts are being supplied by Devonport dockyard, where refurbishment of such items takes place. Their cost, together with the cost of other material supplied to the firm undertaking the refit, will be reflected in the final assessment of the overall cost of the project.

Mr. Gordon Brown asked the Secretary of State for Defence by whom the hatch covers of HMS Otter are being repaired; and if he will make a statement.

Mr. Butler: Such work as is necessary is being undertaken by the firm carrying out the refit. If it emerges that new hatch covers are needed, they will be issued from Ministry of Defence stock.

Mr. Gordon Brown asked the Secretary of State for Defence what technical and manpower assistance is being provided to Humber Ship Repairers in its work on refitting HMS Otter.

Mr. Lee: There is an eight-man Ministry of Defence team at Humber Ship Repairers to provide technical guidance and oversee the refit. Additional technical advice is provided by the Ministry of Defence as necessary. The cost of providing all such assistance will be reflected in the final assessment of the cost of the project.

Army Board (Appeals)

Mr. Gordon Brown asked the Secretary of State for Defence how many appeals have been lodged by soldiers with the Army Board in the last two years; and of those, how many have resulted in a successful outcome for the appellant.

Mr. Lee: A total of 30 appeals against the findings of courts martial under section 8(2) of the Courts Martial (Appeals) Act 1968 and 46 applications for redress of

complaints under the Army Act 1955, sections 180 and 181, lodged by officers and soldiers reached the Army Board in the last two years. Their outcome is as follows:

	Upheld	*Denied*	*Sentence mitigated/ Partially upheld*
Appeals against CM	4	17	9
Redress of complaint	8	21	17

I should stress that only those redress of complaint cases that are not upheld by the intervening authorities reach the Army Board.

Falkland Islands

Mr. Foulkes asked the Secretary of State for Defence what steps he has taken toward pest control on the Falkland Islands; and whether any private contractors have been used for this purpose.

Mr. Stanley: A military environmental health officer has been appointed to the staff of the Commander British Forces Falkland Islands. In addition to being responsible for pest control at all military establishments, he also advises the Falkland Island Government on pest control. I understand that the airport contractors at Mount Pleasant are taking normal pest control precautions and are employing a pest control officer.

Mr. Foulkes asked the Secretary of State for Defence if he will list the occasions on which military personnel from other countries have visited the Falklands since 1983, stating in each case their country of origin and the purpose of the visit.

Mr. Stanley: I shall answer shortly.

Porton Down (Waste)

Mrs. Clwyd asked the Secretary of State for Defence what quantities of waste from Porton Down have been sent to Re-Chem plants at Bonnybridge and Pontypool for disposal since 1975.

Mr. Lee: Available records show that since 1975 the chemical defence establishment Porton Down has sent waste to the Re-Chem plant at Pontypool for disposal under contract on one occasion, in 1983. The material comprised 30 tonnes of solid waste, in the form of salt of phosphoric acid. No waste has been sent to the Bonnybridge plant.

Type 23 Frigate (Tenders)

Mr. Chope asked the Secretary of State for Defence when he intends to invite tenders for further type 23 frigates.

Mr. Lee: Tenders will be sought in the late summer for the third and fourth type 23 frigates. All United Kingdom shipyards capable of constructing frigates will be invited to bid.

As my right hon. Friend the Secretary of State said on 28 January, Swan Hunter Shipbuilders Limited will at the same time also be invited to tender for the second type 23 frigate.

RAF Trainer Aircraft

Mr. Foulkes asked the Secretary of State for Defence what representations he has received following the award of the contract for the Royal Air Force trainer to Shorts; what is the substance of these representations; and if he will make a statement.

Mr. Butler: A number of representations have been received from British Aerospace. In particular, the company has expressed disappointment at losing the competition and said that it had believed that the final bid it submitted on 19 March for the PC-9 would have been cheaper for the Ministry than acceptance of the bid from Shorts for Tucano. This was definitely not so; the total acquisition cost would have been higher for the PC-9 than it was from the Tucano, as was also true of operating costs. British Aerospace has also asked both for the opportunity to be de-briefed on the trainer project which, following normal practice, has been granted and for a review of the ground rules governing such competitions.

Mr. Foulkes asked the Secretary of State for Defence whether any contract for the supply of the Royal Air Force trainer has yet been signed with Shorts.

Mr. Butler: Yes. The contract was signed on 30 April 1985, following a letter of intent on 4 April 1985.

Mr. McNamara asked the Secretary of State for Defence (1) whether, subsequent to the receipt of Short's bid for the Royal Air Force air basic trainer on 14 March, any member of his Department requested Shorts to make a revised offer;

(2) why, on 15 March, the controller of aircraft of his Department's procurement executive requested a revised bid from British Aerospace for the new basic trainer for the Royal Air Force.

Mr. Butler [*pursuant to his reply*, 3 May 1985, c. 262]: On 15 March controller aircraft rang Sir Raymond Lygo, managing director of British Aerospace, to confirm that Sir Raymond understood that the bid received by the relevant MOD contracts branch before noon the previous day was indeed its final offer. Sir Raymond indicated that he was not aware that this was so and shortly thereafter submitted a revised bid. At the same time controller aircraft rang Sir Philip Foreman, chairman of Short Brothers, who confirmed that its bid submitted before 14 March deadline was its final one.

Mr. McNamara asked the Secretary of State for Defence whether he will state the ranks and posts held of the members of the procurement executive who telephoned British Aerospace on 13 March to inform it of the deadline date for tender for the new basic trainer for the Royal Air Force; to whom he spoke; and if the call was logged by his Department.

Mr. Butler [*pursuant to his reply*, 3 May 1985, c. 262]: The telephone call was made by the principal director of contracts, air, to the group commercial director of British Aerospace. Telephone calls in the Ministry of Defence are not normally logged.

Mr. McNamara asked the Secretary of State for Defence on how many occasions in the past the procurement executive has telephoned tenders for his Department's contracts or contracts worth more than £100 million giving the deadline date for tendering; whether this

is the normal procedure within his Department; and on how many occasions such a telephone call has been confirmed by letter, telex or other written communication.

Mr. Butler [*pursuant to his reply*, 3 May 1985, c. *261-2*]: The original deadline for the receipt of "best and final" bids had been set by telex at 31 January. The telephone call made to British Aerospace on 13 March dealt only with the end-point for post-tender improvements to those bids and followed on previous discussions with the two firms who had submitted the most attractive bids. Written communications are the normal and preferred practice within the Ministry of Defence; the telephone is used only when this is more suitable for giving or receiving information in the time available, and such information is confirmed in writing where necessary.

PRIME MINISTER

Committees of Privy Councillors and Committees of Inquiry

Mr. Eggar asked the Prime Minister (1) how many committees of Privy Councillors she and her predecessors have commissioned since 1955; and what were the subjects the Privy Councillors investigated, the dates they were established, who chaired them and the dates they reported;

(2) how many committees of inquiry she and her predecessors have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

The Prime Minister: The information available is contained in the following two tables. As we do not hold central records, we cannot be absolutely sure that it is complete.

Committees of Privy Councillors

Subject investigated	*Chairman*	*Date appointed*	*Date reported*	*Cmnd. No.*
(i) *1955-May 1979*				
Security	Marquess of Salisbury	November 1955	March 1956	9715
The Interception of Communications	Sir Norman Birkett	June 1957	September 1957	283
Security in the Public Service	Lord Radcliffe	May 1961	November 1961	1681
'D' Notice Matters	Lord Radcliffe	February 1967	May 1967	3309
Interrogation of Terrorists	Lord Parker of Waddington	November 1971	January 1972	4901
Ministerial Memoirs	Viscount Radcliffe	April 1975	January 1976	6386
Recruitment of Mercenaries	Lord Diplock	February 1975	August 1975	6569
Cabinet Document Security	Lord Houghton	July 1977	October 1977	6677
(ii) *May 1979-present*				
Falkland Islands Review	Lord Franks	July 1982	January 1983	8787

Committees of Inquiry commissioned by the Prime Minister

Subject investigated	*Chairman*	*Date appointed*	*Date reported*	*Cmnd. No.*
(i) *1955-1968*				
Crown Lands	Sir Malcolm Trustram Eve	December 1954	17 May 1955	9483
The Organisation of the Atomic Energy Authority	Sir Alexander Fleck	October 1957	16 December 1957	338
Health and Safety in the Atomic Energy Authority	Sir Alexander Fleck	October 1957	19 December 1957	342
The Preservation of Downing Street	Earl of Crawford and Balcarres	July 1957	1 March 1958	457
The Windscale Piles	Sir Alexander Fleck	October 1957	17 June 1958	471
The Misuse of Official Facilities	Sir Norman Brook	5 November 1958	11 November 1958	583
Security at the National Gallery	Lord Bridges	26 September 1961	13 February 1962	1750
The Vassall Case	Sir Charles Cunningham	22 October 1962	7 November 1962	(1871)
The Security Service and Mr. Profumo	Lord Denning	21 June 1963	16 September 1963	2152
Higher Education	Professor Lord Robbins	8 February 1961	23 September 1963	2154
The Organisation of Civil Science	Sir Burke Trend	March 1962	23 September 1963	2171
Representational Services Overseas	Lord Plowden	30 July 1962	2 December 1963	2276
The Remuneration of Ministers and MPs	Sir Geoffrey Lawrence	19 December 1963	20 October 1964	2516
The Bossard and Allen Cases	Sir Henry Wilson Smith	9 August 1965	6 September 1965	2773
The Civil Service	Lord Fulton	8 February 1966	19 June 1968	3638
Defence Procurement	D. Rayner	October 1970	March 1971	4641
Dispersal of Government work from London	Sir H. Hardman	October 1970	June 1973	5322
Conduct in Local Government	Lord Redcliffe-Maud	October 1973	May 1974	5636
(ii) *May 1979-present*				
Non-departmental Public Bodies	Sir Leo Pliatzky	1979	January 1980	7797
Value of Pensions	Sir Bernard Scott	1980	February 1981	8147

International Fund for Agricultural Development

Mr. Freeson asked the Prime Minister if she will give a commitment at the Bonn economic summit to contribute at least 50 million dollars to the new replenishment of the International fund for agricultural development.

The Prime Minister: The replenishment of the International fund for agricultural development (IFAD) was not discussed specifically in Bonn. IFAD is financed on the basis of equitable burden-sharing among its member countries. The Government contributed 5 per cent. of the share provided by OECD countries to the last

replenishment, and we would expect to contribute a similar share of the next one if and when it is approved by the donors collectively.

Agriculture Aid

Mr. Freeson asked the Prime Minister if she will make it her policy to give a commitment at the Bonn economic summit to increase the amount of aid allocated to agriculture, especially to subsistence farmers in the Third world.

The Prime Minister: I draw the attention of the right hon. Gentleman to paragraph 9 of the communiqué reporting the outcome of the Bonn economic summit, a copy of which has been placed in the Library.

Africa (Aid)

Mr. Freeson asked the Prime Minister if, at the Bonn economic summit, she will reiterate Her Majesty's Government's commitment to maintain or increase resources for the aid programme for both emergency and long-term needs in Africa.

The Prime Minister: I refer the right hon. Gentleman to my statement on the Bonn economic summit, at columns 625-26, and in particular to paragraphs 7 and 9 of the communiqué issued afterwards, a copy of which has been placed in the Library.

Sharelga (Sinking)

Mr. Hoyle asked the Prime Minister how much compensation was paid by Her Majesty's Government to the Irish Government in respect of the sinking of the Irish trawler Sharelga; and for what reason such compensation was paid.

The Prime Minister: An Irish trawler named "Sharelga" was sunk in the Irish Sea in 1982 after its nets were snagged by a British submarine. The Ministry of Defence accepted liability for the incident and agreed to pay fair and reasonable compensation. The amount of compensation is a matter for negotiation between the vessel's owner and the Ministry of Defence. No payments have been made by Her Majesty's Government to the Irish Government in respect of this incident.

RAF Trainer Aircraft

Mr. Carter-Jones asked the Prime Minister if she will list the Departments which were involved, directly or indirectly, in the decision to purchase the Tucano fighter trainer; and if she will make a statement.

The Prime Minister: No. The principle of collective responsibility applies to this as to all ministerial decisions.

Leeward Islands Air Transport (Aircraft Purchase)

Mr. Carter-Jones asked the Prime Minister if she is now in a position to publish the European Commission's reasons for rejecting the Leeward Islands Air Transport view that the Super 748 offer from British Aerospace best fulfilled the procurement criteria of the Lomé convention; if she has had further communication with the European Commission on this matter; whether she has had any recent representations from Leeward Islands Air Transport; and if she will make a statement.

The Prime Minister: My right hon. Friend the Minister for Overseas Development published the European Commission's explanation in an answer given to the hon. Member for Eccles (Mr. Carter-Jones) on 26 February, at column 102. The European Commission is not involved with present arrangements to finance the purchase by the Leeward Islands Air Transport of four HS-Super 748 aircraft from British Aerospace; we have had no recent communication with it on this matter, and no representations from Leeward Islands Air Transport. Satisfactory arrangements have now been made for the package of two HS-Super 748 aircraft with finance provided by the Caribbean Development Bank, and LIAT has accepted Her Majesty's Government's offer of assistance from the aid and trade provision for a further two aircraft.

Rates

Lord James Douglas-Hamilton asked the Prime Minister what comparisons have been made between the relative rateable value of comparable properties, small businesses and industries in Scotland, England, Wales and Northern Ireland, respectively; and if she will publish this information in the form of a table.

The Prime Minister [*pursuant to her reply*, Tuesday 7 May 1985, c. *310*]: I regret that comparable information for Scotland, England, Wales and Northern Ireland is not available centrally.

Lord James Douglas-Hamilton asked the Prime Minister what was the level of the rate support grant, including the per capita value for each year, from central Government to Scotland, England and Wales, for each of the last 10 years; what percentage this represented of total local government expenditure for each year; and if she will publish a table.

The Prime Minister [*pursuant to her reply*, Tuesday 7 May 1985, c. *310*]: The information is shown in the table.

	England Rate Support Grant			*Wales* Rate Support Grant			*Scotland* Rate Support Grant		
	*£ million**	*per capita £*	*per cent. of local govt. expen.†*	*£ million**	*per capita £*	*per cent. of local govt. expen.†*	*£ million*	*per capita £*	*per cent. of local govt. expen.†*
1975-76	5357·4	115	‡	427·5	153	‡	¶552·2	115	69·7
1976-77	5827·5	125	‡	463·6	166	‡	822·7	158	68·8
1977-78	5982·5	128	‡	483·1	173	‡	882·8	170	63·7
1978-79	6569·8	141	‡	511·8	183	‡	960·0	185	63·3
1979-80	7370·2	158	‡	589·9	210	‡	1090·1	211	62·5
1980-81	8659·2	185	‡	694·2	247	‡	1247·9	242	62·1
1981-82	9000·9	192	45·2	744·8	265	60·4	1503·1	292	61·1

	England Rate Support Grant			Wales Rate Support Grant			Scotland Rate Support Grant		
	£ million*	per capita £	per cent. of local govt. expen.†	£ million*	per capita £	per cent. of local govt. expen.†	£ million	per capita £	per cent. of local govt. expen.†
1982-83	9018·8	193	41·4	797·3	284	60·0	1677·7	325	57·9
1983-84	9067·1	194	39·3	814·5	290	58·0	1744·2	339	55·9
1984-85	8852·8	189	37·2	810·8	289	55·8	1713·2	333	53·4

Notes

* Needs/Resources/Domestic elements for the years 1975-76 to 1980-81 and Rate Support Grant for subsequent years.

† Grant as a percentage of 'relevant' Local Government Expenditure.

‡ The information is not available for England and Wales separately.

‖ The information on rate Support Grants and Local government expenditure is taken from the RSG (Scotland) Orders and therefore reflects the Government's provision for expenditure in each year. The price bases adopted are those pertaining at the time of the RSG Settlement each year.

¶ The financial year 1975-76 covers a period of 10½ months.

The percentage for England and Wales combined are as follows:

	England & Wales Grant as percentage of local Government expenditure
1975-76	57·9
1976-77	55·0
1977-78	52·3
1978-79	51·9
1979-80	48·6
1980-81	48·8

For the years 1975-76 to 1977-78 *Revenue* expenditure has been used to derive the percentages. For the years 1978-79 to 1980-81 *Relevant* expenditure has been used at November price levels.

SOLICITOR-GENERAL FOR SCOTLAND

Coal Industry Dispute

Mr. Gordon Brown asked the Solicitor-General for Scotland how many police complaints have been recorded in the course of the miners' industrial dispute.

The Solicitor-General for Scotland [*pursuant to his reply*, 4 April 1985, c. *719*]: During the relevant period 14 of the complaints against the police received by regional procurators fiscal related to the miners' industrial dispute. Other complaints of a non-criminal nature may have been received by the individual police forces concerned.

ATTORNEY-GENERAL

Departmental Committees of Inquiry

Mr. Eggar asked the Attorney-General how many departmental committees of inquiry the Lord Chancellor and his predecessors have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them, and the dates they reported.

The Attorney-General: The following list, which may not be exhaustive, includes Royal Commissions dealing with areas in the Lord Chancellor's responsibility and other major inquiries most of whose reports were (or are expected to be) published by HMSO, and presented to Parliament; it excludes official committees and standing advisory committees.

Established	*Title/Subject*	*Chair*	*Reported*	*Cmnd*
1955	Administrative tribunals and enquiries	Lord Franks	1957	218
1957	Law Relating to Rights of Light	The Right Honourable Lord Justice Harman	1957	473
1958	Funds in Court	Lord Pearson	1959	818
1958	Business of the Criminal Courts (Commissioned by the Lord Chancellor and the Home Secretary)	Sir Geoffrey Hugh Benbow Streatfield	1961	1289
1958	Chancery chambers and the Chancery Registrar's Office	The Right Honourable Lord Justice Harman	1960	967
1959	Conflicts of jurisdiction affecting children	Lord Hodson	1959	842

Established	Title/Subject	Chair	Reported	Cmnd
1960	Magistrates Courts in London (Commissioned by the Lord Chancellor and the Home Secretary)	His Honour Sir Carl Aarvold	1962	1606
1961	Limitation of actions in cases of personal injury	Lord Edmund-Davies	1962	1829
1963	Committee on Legal Records	Lord Denning	1966	3084
1963	Positive covenants affecting land	Lord Wilberforce	1965	2719
1964	Court of Criminal Appeal (Commissioned by the Lord Chancellor and the Home Secretary)	Lord Donovan	1965	2755
1964	Mechanical recording of court proceedings	The Right Honourable Sir George Baker	*(a)* 1965 *(b)* 1966	2733 3096
1964	Law of succession in relation to illegitimate persons	Russell	1966	3051
1965	Enforcement of Judgment Debts	Sir Reginald Withers Payne	1969	3909
1965	Age of Majority	The Honourable Mr. Justice Latey	1967	3342
1966	Civil Judicial Statistics	P. Adams	1968	3684
1966	Supreme Court of Judicature in Northern Ireland	Lord MacDermott	1970	4292
1966	Royal Commission on Assizes and Quarter Sessions	Lord Beeching	1969	4153
1967	Legal Education	The Right Honourable Sir Roger Ormrod	1971	4595
	Personal Injuries Litigation	The Right Honourable Sir Roger Winn	1968	3691
1971	Public Trustee Office	H. R. Hutton	1972	4913
1971	Civil and Criminal Jurisdiction in Northern Ireland (Commission with Northern Ireland Secretary)	Lord Lowry	1973	5431
1971	Law on contempt of court (Commissioned with Lord Advocate)	The Right Honourable Sir Henry Josceline Phillimore	1974	5794
1971	Law on Defamation	The Honourable Mr. Justice Faulks	1975	5909
1973	Distribution of business between Crown Courts and Magistrates' Courts	The Right Honourable Sir Arthur James	1975	6323
1973	Royal Commission on Civil Liability and Compensation for Personal Injury	Lord Pearson	1978	7054
1975	Judicial Studies and Information (Commission with Home Secretary)	Lord Bridge of Harwich	1978	—
1976	Personal Injuries Litigation Procedure	The Honourable Mr. Jucstice Cantley	1979	7476
1976	Royal Commission on Legal Services	Lord Benson	1979	7648
1978	Selection and access to modern public records	Sir Duncan Wilson	1981	8204
1979	Chancery Division	The Right Honourable Lord Justice Oliver	1981	8205
1983	Matrimonial Causes Procedure	The Honourable Mrs. Justice Booth	—	—
1984	Conveyancing *(a)* by non-solicitors *(b)* simplification	Professor J. T. Farrand	 1984 1985	 HMSO HMSO

Established	Title/Subject	Chair	Reported	Cmnd
1984	Fraud Trials (Commissioned by the Lord Chancellor and the Home Secretary)	Lord Roskill	—	—

TRANSPORT

Mersey Ferries

40. **Mr. Wareing** asked the Secretary of State for Transport what plans he has to ensure the preservation of the Mersey ferries during the three years following the proposed abolition of the Merseyside county council; and if he will make a statement.

Mrs. Chalker: The operation of the ferries after the abolition of the county council will remain the responsibility of the passenger transport executive, working within the policies determined by the new passenger transport authority.

Departmental Committees of Inquiry

Mr. Eggar asked the Secretary of State for Transport how many departmental committees of inquiry he and his predecessors, including Ministers of Transport and Ministers of War Transport, have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Ridley: The following committees of inquiry have been set up since 1979.

Subject of investigation	Chairman	Date established	Date of report
Lorries, People and the Environment	Sir Arthur Armitage	24 July 1979	9 December 1980
Review of Railway Finances	Sir David Serpell	5 May 1982	20 December 1982
Pedestrian Safety at Public Road Level Crossings	Rt. Hon. Sally Oppenheim, MP	22 November 1982	20 April 1983
Review of Public Utilities Street Works Act (PUSWA)	Professor Michael Horne, OBE	30 January 1984	Expected late Spring 1985
Review of Arrangements for Protecting the Clients of Air Travel Organisers	Sir Peter Lane	12 April 1984	7 June 1984
Review of Road Traffic Law	Dr. Peter North	31 January 1985	

Information for earlier years could be provided only at disproportionate cost. The list excludes standing advisory committees, departmental inquiries into accidents and public inquiries into road schemes. If my hon. Friend would like further information, I should be happy to write to him.

M1 (Service Stations)

Mr. Harrison asked the Secretary of State for Transport how many types of franchise exist in relation to service stations on the M1 motorway between London and Leeds; and if he will indicate the names and geographical locations of the company or companies involved and their responsibilities to retain continuation of their franchise.

Mr. Ridley: I have written to the right hon. Member enclosing a list of the nine motorway service areas on the M1 between London and Leeds, with the names and addresses of the operators. Each operates under a 50-year lease from the Secretary of State. The terms of the lease are fairly standard and I am arranging for a copy to be sent to the right hon. Member.

Cruise Ships (Anglo-Soviet Agreement)

Mr. James Lamond asked the Secretary of State for Transport whether agreement has yet been reached between British and Soviet passenger cruise ship operators following the latest commercial talks encouraged by Her Majesty's Government; and if he will make a statement.

Mr. David Mitchell: The Anglo-Soviet Joint Maritime Commission agreed at its last meeting that the British and Soviet cruise ship operators should meet to discuss the 1986 cruise programmes to be offered in the British market. These commercial talks took place in early April and it was agreed that there should be further reductions in Soviet capacity offered in the British market. It was also agreed that a further meeting will take place in 1986.

M2 (Traffic Study)

Mr. Aitken asked the Secretary of State for Transport if he will extend his Department's traffic study on the future of the M2 motorway to include consideration of the car and freight traffic projections to the port of Ramsgate and their implications for the A299 Thanet Way.

Mrs. Chalker: Our present study of the possible need for more capacity on the section of the M2 between junctions 1 and 3 will take account of future traffic expected to use the motorway to and from Ramsgate. The A299 Thanet Way is the responsibility of the Kent county council, but I have undertaken to keep under review the possible need in the future to bring this road into the trunk road network.

Rail Closures (Strathclyde)

Mr. McTaggart asked the Secretary of State for Transport if he will list the rail services closed within the Strathclyde regional council area since 1975, along with any future proposals to close rail services in that area.

Mr. David Mitchell: The only line to have been closed to rail passenger services in the Strathclyde region since 1975 is between Glasgow and Kilmacolm.

British Rail is considering whether to propose closure of a 500-yard stretch of line between Balloch Pier and

Balloch Central. Financial support for this service was withdrawn by the Strathclyde passenger transport executive last December.

London Dockers (Pay)

Mr. Chope asked the Secretary of State for Transport (1) what is the minimum weekly gross pay receivable by registered dockworkers in the Port of London Authority;

(2) what is the minimum weekly gross pay receivable by registered dock workers in the Mersey Docks and Harbour Company.

Mr. David Mitchell: At the Mersey Docks and Harbour Company £125·50; at the Port of London Authority £120·85.

Port Employees (Output)

Mr. Chope asked the Secretary of State for Transport what has been the output per person employed by *(a)* the Port of London Authority and *(b)* the Mersey Docks and Harbour Company in each of the last five years.

Mr. David Mitchell: Both the PLA and MDHC have reported significant productivity improvements in many of their operations. My Department does not, however, have detailed information, which is in any case commercially confidential.

Ports (Lost Working Days)

Mr. Chope asked the Secretary of State for Transport how many working days have been lost in each of the last five years due to industrial and other disputes in *(a)* the Port of London Authority and *(b)* the Mersey Docks and Harbour Company.

Mr. David Mitchell: The detailed information requested is not retained by the two undertakings, but the number of working days lost in stoppages of work in the ports of London and Liverpool as a whole are set out in "Port Statistics" published annually by my Department and the British Ports Association, copies of which are in the Library.

Non-scheme Ports (Employees)

Mr. Chope asked the Secretary of State for Transport how many people have been employed in each of the last five years in non-scheme ports.

Mr. David Mitchell: According to a survey undertaken by the British Ports Association and the National Association of Port Employers, on 18 March 1983 9,514 people were employed in non-scheme ports. Figures for the other years are not available.

Ports (Financial Assistance)

Mr. Chope asked the Secretary of State for Transport (1) to what extent the Mersey Docks and Harbour Company currently is in receipt of assistance by way of grant loan and guarantee provided under the Ports (Financial Assistance) Act 1981;

(2) to what extent the Port of London Authority currently is in receipt of assistance by way of grant, loan and guarantee provided under the Ports (Financial Assistance) Act 1981.

Mr. David Mitchell: Loans and guarantees under this Act still outstanding are:

	Loans £ *million*	*Guarantees* £ *million*
MDHC	3·9	9·0
PLA	3·0	21·0

In addition, we are prepared to continue to make grants to both undertakings for the severance of surplus manpower. In the case of registered dock workers, these benefit all scheme port employers by relieving them of a cost which they would otherwise have to meet collectively through the national voluntary severance schemes. Grants for the severance of other employees are to be phased out.

Mr. Chope asked the Secretary of State for Transport how much financial assistance has been given to *(a)* the Port of London Authority and *(b)* the Mersey Docks and Harbour Company under the Ports (Financial Assistance) Act 1981 in each of the years 1981, 1982, 1983 and 1984; and what is the level of assistance projected for 1985.

Mr. David Mitchell: The information requested is as follows:

Financial Year	*PLA* £ *million*	*MDHC* £ *million*
1981-82	21·8	25·8
1982-83	39·8	70·7
1983-84	32·4	39·4
1984-85	23·2	8·5

The assistance to be given in the financial year 1985-86 will depend principally on the number of staff severed by both undertakings.

Ports (Manpower Statistics)

Mr. Chope asked the Secretary of State for Transport (1) how many registered dockworkers were employed by the Mersey Docks and Harbour Company on 1 January in each of the years 1979 to 1985, inclusive;

(2) how many people were in the employment of the Mersey Docks and Harbour Company on 1 January in each of the years 1979 to 1985, inclusive;

(3) how many people were in the employment of the Port of London Authority on 1 January in each of the years 1979 to 1985, inclusive;

(4) how many registered dockworkers were employed by the Port of London Authority on 1 January in each of the years 1979 to 1985, inclusive.

Mr. David Mitchell: The information requested is as follows:

	MDHC		*PLA*	
Year	*RDWS*	*Total*	*RDWS*	*Total*
1979	3,774	7,849	4,933	9,271
1980	3,260	6,806	4,578	8,597
1981	2,989	6,303	3,700	6,504
1982	2,215	5,125	2,851	5,269
1983	1,406	3,288	2,315	4,405
1984	1,497	3,114	1,948	3,601
1985	1,349	2,838	1,691	3,245

Mr. Chope asked the Secretary of State for Transport, how many people have left the employment of *(a)* the Port of London Authority and *(b)* the Mersey Docks and Harbour Company in each of the last four years; and, of these, how many were registered dockworkers.

Mr. David Mitchell: The information requested is as follows:

PLA Year	RDWS	Non-RDWS	Total
1981	1,063	435	1,498
1982	801	386	1,187
1983	528	474	1,002
1984	348	124	472
MDHC			
1981	709	478	1,198
1982	823	1,014	1,837
1983	95	287	382
1984	147	129	276

Mr. Chope asked the Secretary of State for Transport how many new recruits were employed by *(a)* the Port of London Authority and *(b)* the Mersey Docks and Harbour Company in each of the last four years; and, of these, how many were employed as registered dockworkers.

Mr. David Mitchell: The information requested is as follows:

PLA	RDWs Recruits	RDWs Re-allocation*	Non-RDWs Recruits†
1981	Nil	214	49
1982	Nil	265	58
1983	Nil	127	20
1984	Nil	106	25

* The RDWs reallocated to the PLA are those surplus to other employers in the ports of London.

† Of the 152 recruits, 43 were apprentices or specialist staff. The remaining 109 were temporary cleaners where there was a higher turnover of staff.

MDHC	RDWs Recruits	RDWs Re-Allocations*	Non-RDWs Recruits†
1981	Nil	9	Nil
1982	Nil	Nil	3
1983	Nil	208	4
1984	Nil	Nil	Nil

Notes

* RDWs reallocated to MDHC were surplus to other employers in the port of Liverpool, the employers being in 1981, Huskisson Transit Company, and in 1983, West Coast Stevedoring Company.

† The only non-rdws recruited by MDHC were for specialist senior staff posts.

The figures exclude recruitment of temporary employees by Neptune Security Ltd., a subsidiary of MDHC, hiring security wardens on short-term contracts.

Ports (Financial Results)

Mr. Chope asked the Secretary of State for Transport (1) what trading profit or loss the Port of London Authority has made in each of the last six years;

(2) what trading profit or loss the Mersey Docks and Harbour Company has made in each of the last six years.

Mr. David Mitchell: The information requested is as follows:

	Trading Profit/(loss) PLA £ million	MDHC £ million
1979	1·28	(1·83)
1980	(1·65)	5·02
1981	3·66	1·25
1982	6·87	(2·34)
1983	3·3*	6·79
1984	Not yet published	1·92

* In 1983, in accordance with statutory requirements, the PLA changed its accounting policy to conform closely with the provisions of the Companies Act 1981. This figure is the profit before interest payable.

Driving (Offences)

Mrs. Renée Short asked the Secretary of State for Transport whether he has any plans to seek to amend section 5 of the Road Traffic Act 1972 so as to make it an offence to drive while under the influence of solvents or gases.

Mrs. Chalker: I shall write to the hon. Member.

Driving Tests

Mr. Peter Bruinvels asked the Secretary of State for Transport (1) what was the pass rate for each driving test centre in 1984; and how this compares with figures for each of the past five years;

(2) what was the average waiting time in 1984 in each driving test centre prior to taking a car driving test; and how the figures compare with each of the past five years.

Mrs. Chalker: I shall write to my hon. Friend. Much of this information is not available and the available statistics will take a few days to assemble.

Mhari L (Loss Inquiry)

Mr. Foulkes asked the Secretary of State for Transport what is the current stage of the inquiry into the loss of the Mhari L; when he expects to receive the report; whether the wreck is to be raised as part of the investigation; and if he will make appropriate arrangements for the burial of any bodies recovered.

Mr. David Mitchell: My Department's inspector has not yet completed his inquiry. It is not intended to raise the wreck as part of the investigation, but fortunately my right hon. Friend the Secretary of State for Defence made available a vessel for a limited period to examine this wreck. No bodies were found.

Singapore Airlines (Manchester)

Mr. Frank Field asked the Secretary of State for Transport what view British Airways has expressed during his Department's negotiations with the Singapore Government over flying rights to Manchester; and what reaction his Department has given to such views.

Mr. Michael Spicer: I do not wish to establish the precedent of revealing the views particular airlines may express about inter-governmental air service negotiations.

Mr. Frank Field asked the Secretary of State for Transport why negotiations on an application by Singapore Airlines to open up flights to Manchester lasted for three days.

Mr. Michael Spicer: Since the Singapore Government first applied to negotiate a new agreement with us on 18 March 1985, I consider it extremely speedy that a conclusion was reached on 3 May.

Mr. Frank Field asked the Secretary of State for Transport why Manchester airport authority was not invited to participate in the consultations between the aeronautical authorities of Singapore and the United Kingdom over Singapore Airlines' application to open a service to Manchester.

Mr. Michael Spicer: These are discussions between Governments; airports are not represented at the discussions but are consulted.

M40 (Otmoor Section)

Mr. Baldry asked the Secretary of State for Transport when he now anticipates being able to announce his Department's preferred route for the Otmoor section of the M40 extension.

Mrs. Chalker: I am continuing the investigations announced last December into the possibility of finding an eastern route which would avoid Otmoor and the Bernwood Forest. I will make a further announcement as soon as possible.

Equal Opportunities

Mr. Janner asked the Secretary of State for Transport what is the sex and ethnic origin of the officer designated by his Department as equal opportunities officer.

Mr. Ridley [*pursuant to his reply*, 29 April 1985, c. 27]: My equal opportunities officer is a citizen of the United Kingdom. I do not see the relevance of the question as to sex.

Mr. Janner asked the Secretary of State for Transport whether he is satisfied with the equality of opportunities in his Department in so far as they concern sex and race discrimination; and what advice has lately been given to staff in his Department in respect thereof by the officer designated as equal opportunities officer with responsiblity for giving such advice.

Mr. Ridley [*pursuant to his reply*, 29 April 1985, c. 27]: Yes. All staff have been advised of the Department's general policy on race and sex equality of opportunity through office circulars published in November 1984 and March 1985.

NATIONAL FINANCE

Johnson Matthey Bankers

Mr. Blair asked the Chancellor of the Exchequer (1) what action the Bank of England took prior to the collapse of Johnson Matthey Bankers in pursuance of its duty to supervise the banking system;

(2) whether the review of the arrangements for banking supervision will comment on the justification of the Bank of England's takeover of Johnson Matthey Bankers; and if he will make a statement;

(3) whether the review of banking supervision will deal with the monitoring by the Bank of England's banking supervision department of Johnson Matthey prior to its collapse and the steps it took prior to the collapse to identify and seek to correct Johnson Matthey Bankers' difficulties.

Mr. Ian Stewart [*pursuant to the replies*, 2 May 1985, c. *245-46* and 7 May 1985, c. 657]: As the hon. Member is aware, the answers which appear in the official record were not authorised by Ministers and the House has received an apology for and explanation of the episode.

The Governor of the Bank of England will include in the bank's annual report to the Chancellor under the Banking Act 1979 an account of events concerning Johnson Matthey Bankers and the subsequent rescue operation. This report will be published and a copy laid before the House in the usual way.

I have nothing further to add to the replies given in my name on 2 and 3 May.

Covenants

Mr. Carter-Jones asked the Chancellor of the Exchequer if, with a view to reducing the amount of paperwork involved and the work load of Inland Revenue staff, he will take steps to simplify the processes involved in the covenant procedure; and if he will make a statement.

Mr. Moore [*pursuant to his reply*, 30 April 1985, c. 95]: The repayment procedures must include checks that the claimant is in fact entitled to repayment and that tax has been deducted by the payer. In the case of covenants made by parents in favour of their adult student children, however, the Inland Revenue is intending to introduce, from the start of the academic year 1985-86, simplified procedures which meet these basic requirements. These will include forms to make it easier for parents to make out valid deeds, and a new repayment claim form introduced which is tailored to the needs of students. In addition, the Inland Revenue is preparing a package for students which will include leaflets explaining the effect of a deed of covenant on their tax, together with copies of all the necessary forms.

Direct Selling (VAT)

Mr. Lester asked the Chancellor of the Exchequer what action he proposes to take in the light of the judgment of the European Court that United Kingdom powers to require value added tax on the open market value of goods in the direct selling field is of no legal effect.

Mr. Hayhoe: A formal submission has now been made to the European Commission seeking to restore the vires for the VAT valuation provisions of paragraph 3 of schedule 4 to the Value Added Tax Act 1983, by derogation under article 27 of the sixth VAT directive. Customs and Excise are in communication with those traders who may consider that they have overpaid tax under the provisions affected by the European Court judgment.

Nationalised Industries

Mr. Ralph Howell asked the Chancellor of the Exchequer if he will publish the rates of return in each nationalised industry for the years 1982, 1983 and 1984.

Mr. Peter Rees: It is not possible to provide information for each nationalised industry on a

comparable basis and no rates of return are yet available for 1984. Available information for earlier years is as follows:

Rates of Return on Capital Employed—National Accounts Basis

Industry	*Rates of Return*			
	1982		*1983*	
	Including Subsidy per cent	*Excluding Subsidy per cent*	*Including Subsidy per cent*	*Excluding Subsidy per cent*
Air Support Services (BAA; CAA)	5·0	4·9	7·4	7·2
Air Transport (BA)	−3·0	−3·0	6·9	6·9
Other Inland Transport (NBC; STG; LRT)	−0·4	−16·4	−0·2	−18·7
Posts and Telecom (PO; BT)	5·5	5·5	3·8	3·8
Rail (British Railways Board)	−2·8	−9·6	−1·5	−8·5
Shipbuilding (British Shipbuilders)	−3·3	−5·0	−11·6	−13·0
Steel (BSC)	−10·7	−10·7	−9·2	−9·2

Figures for 1982 have been revised, following publication of the 1983 edition of "National Income and Expenditure" and may, therefore, differ from those given in answer to my hon. Friend's question on 9 April 1984 at column 81.

underlying the rates of return for industries in the standard industrial classification division 1 (the energy and water supply industries), in particular asset lives assumptions, are at present under review by the CSO. 1983 rates of return, and revised rates for earlier years, are consequently not yet available for these industries.

The basis for the calculation of the figures, which relate to all the public corporations in particular standard industrial classifications, was set out in the Treasury evidence to the Treasury and Civil Service Select Committee in 1981 (published as appendix 12 of volume III of its report "Financing of the Nationalised Industries" HC 348-III). The rates of return given are based on national accounts statistics and, therefore, differ from figures based on nationalised industries published accounts.

HOME DEPARTMENT

Prisons (Suicides)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many attempted suicides there were in each penal establishment in 1984 and so far in 1985.

Mr. Mellor: This information is not yet available.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if he is satisfied with the measures taken at Pentonville prison to prevent suicides.

Mr. Mellor: A recent suicide at Pentonville revealed that there had been a failure in the procedure for checking on inmates at the beginning of the day; the governor has taken action to remedy this and I am not aware of any other specific points of this kind that need attention at Pentonville. I naturally regret the two suicides that have taken place in the prison so far this year, but, taking the figures for the last five years, it is clear that suicide is no more frequent at Pentonville than at other comparable establishments.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the age, sex, prison and accommodation occupied by each of those who committed suicide in penal establishments in 1984.

Mr. Mellor: The available information is as follows. Details of the location of the prisoners concerned are not recorded centrally.

	Age	*Sex*	*Prison*
1.	44	Male	Brixton
2.	31	Male	Brixton
3.	33	Male	Parkhurst
4.	37	Male	Parkhurst
5.	27	Male	Norwich
6.	53	Male	Wormwood Scrubs
7.	17	Male	Swansea
8.	19	Male	Pentonville
9.	23	Male	Brixton
10.	47	Male	Durham
11.	26	Male	Norwich
12.	22	Male	Exeter
13.	37	Male	Leeds
14.	24	Male	Preston
15.	44	Male	Portsmouth
16.	43	Male	Exeter
17.	27	Male	Brixton
18.	37	Male	Shrewsbury
19.	26	Male	Lewes
20.	24	Male	Wandsworth
21.	34	Male	Wakefield
22.	37	Male	Brixton

Young Offenders

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what proportion of offenders *(a)* under 17 and *(b)* under 16 years who have committed indictable offences in each of the last 10 years have been (i) sentenced by courts, (ii) cautioned by the police or (iii) otherwise dealt with respectively.

Mr. Mellor: Information on offenders sentenced and cautioned for indictable offences is published annually in "Criminal Statistics England and Wales" (Chapters 5 and 7 of the issue for 1983, Cmnd. 9349, and in the supplementary volumes). The proportions requested for those aged under 17 are given in the following table. Corresponding information for offenders aged under 16 for earlier years could be provided only at disproportionate cost. Information is not collected centrally on offenders

who were dealt with other than by a police caution or court proceedings. Corresponding information for 1984 is not yet available.

Persons sentenced at all courts or cautioned by police for indictable offences

England and Wales *Percentage of total*

Age and Year	*Sentenced*	*Cautioned*
Aged 10 and under 17		
1974	50·4	49·6
1975	50·7	49·3
1976	52·1	47·9
1977	48·7	51·3
1978	*51·0*	*49·0*
1979	49·8	50·2
1980	51·3	48·7
1981	49·6	50·4
1982	46·7	53·3
1983	43·7	56·3
Aged 10 and under 16		
1983	44·2	55·8

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what proportion of offenders *(a)* under 17 and *(b)* under 16 years who have been dealt with by courts for indictable offences in each of the last 10 years have received custodial sentences and care orders, respectively.

Mr. Mellor: The information requested for offenders aged under 17 is published in "Criminal Statistics, England and Wales, 1983" (Cmnd. 9349, tables 7A and 7.5-7.8) and also for the year ending 30 June 1984 in tables 2 and 3 of Home Office statistical bulletin 12/85.

For offenders aged under 16, about 7 per cent. of those sentenced for indictable offences in 1983 received a custodial sentence (detention centre, borstal or youth custody) and about 4 per cent. were given a care order; corresponding information for earlier years could be provided only at disproportionate cost. Complete information for 1984 is not yet available.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) whether any information is available from research or surveys indicating the percentage of young offenders in custody who had been expelled from school or received home tuition;

(2) whether any information is available from research or surveys indicating the percentage of young offenders in custody who have no education qualifications;

(3) whether any information is available from research or surveys indicating the percentage of offenders aged 16 to 18 years in custody who were unemployed at the time of their offence or reception;

(4) whether any information is available from research or surveys indicating the percentage of young offenders who are from one-parent families.

Mr. Mellor: There is a body of general research on the factors associated with offending by young people, but we are not aware of any research or surveys which give the specific information requested by the hon. Member.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department whether any information is available from research or surveys indicating the percentage of juvenile offenders in custody who have been in care.

Mr. Mellor: The reports "Offending by Young People" (DHSS, 1981) and "Tougher Regimes in Detention Centres" (HMSO, 1984) contain relevant information at paragraphs 79 ff and 2.21, respectively.

Public Disorder (East London)

Mr. Proctor asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis concerning incidents of public disorder which occurred at Forest Gate, east London, on Saturday 27 April; what was the cause and nature of the disturbance; how many persons were involved; how many persons were arrested; whether there were any injuries; what was the ethnic background of the persons involved; and if he will make a statement on the substance of the report.

Mr. Giles Shaw: I understand from the Commissioner that these incidents of public disorder occurred in connection with a march organised by the Newham police monitoring group, principally in support of seven people of Asian origin—the Newham seven—who are currently awaiting trial. Following some initial disorder, and the arrest of one demonstrator, the march halted outside Forest Gate police station. Missiles were thrown at police, and there was a sit-down protest. Eventually, after some further incidents of abuse and attacks on police officers, the remaining demonstrators were dispersed by police. A total of 1,500 people, of various ethnic backgrounds, were present at the beginning of the march. During the afternoon 11 police officers and two demonstrators were slightly injured. Thirty-three people were arrested, of whom 10 were white, 11 black and 12 of Asian origin.

Civil Defence

Mr. Kilroy-Silk asked the Secretary of State for the Home Department which local authorities are not meeting the requirements of the 1983 civil defence regulations; and in which respects.

Mr. Giles Shaw: I refer the hon. Member to the reply I gave to a question from my hon. Friend the Member for Devizes (Mr. Morrison) on 20 December, in which I said many local authorities had much more to do. As a first step local authorities have been asked to complete the plans required by the 1983 regulations by the end of the year, and the civil defence adviser is currently engaged on a programme of visits to county councils in England and Wales to assess and discuss their progress.

Prisoners (Police Cells)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what is the cost per night of detaining prisoners in police cells.

Mr. Mellor: The average cost per prisoner/night of prisoners held in Metropolitan police cells during the financial year 1984-85 is estimated at £200. Figures for other forces are not readily available.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) if he is satisfied with the conditions for prisoners detained in police cells;

(2) if he is satisfied that prisoners detained in police cells have adequate recourse to exercise;

(3) if he is satisfied with the conditions under which prisoners detained in police cells receive visits.

Mr. Mellor: I am conscious that it is not always possible to ensure that prisoners held in police custody receive all the entitlements that would apply if they were in prison custody and I am aware that there have been particular difficulties in relation to visits and exercise. Nevertheless, the police are doing their best to provide whatever facilities they can under very difficult circumstances.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department which police forces outside of the Metropolitan area have detained prisoners in police cells in 1985; why and where they were detained; and what were the prisoners' ages and sex.

Mr. Mellor: Between 1 January and 30 April prisoners were held in police cells by provincial forces as follows:

	Adult males	*Under 21 males*	*Adult females*	*Under 21 females*
Bedfordshire	—	—	1	—
Dorset	—	—	2	—
Essex	20	—	—	—
Hampshire	—	—	6	—
Hertfordshire	42	—	1	—
Kent	28	—	1	—
Leicestershire	—	—	4	—
Norfolk	—	—	2	—
Northamptonshire	—	—	3	2
Surrey	21	—	—	—
Sussex	30	—	2	—
Thames Valley	—	—	12	—
Total	141	0	34	2

Further information is not available centrally.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the longest period of time prisoners were detained in police cells in 1984.

Mr. Mellor: Thirty-six nights.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) what was the average period of time that prisoners were detained in police cells in 1984;

(2) what is the average period of time that prisoners have been detained in police cells in 1985.

Mr. Mellor: This information is not available; however, the majority of prisoners held in police cells were there for no more than one or two nights.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department why it is necessary to detain prisoners in police cells.

Mr. Mellor: The reasons include lack of vacancies in the right place, transport and other logistical problems, and industrial relations difficulties.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many police officers were employed in guarding the 227 prisoners detained in police cells in the Metropolitan area from 16 to 19 February.

Mr. Mellor: This information is not available centrally.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what are the locations in London in which prisoners have been detained in police cells in 1985.

Mr. Mellor: The Metropolitan police support headquarters at Lambeth, the Highbury Corner, Camberwell Green, Horseferry road and South Western magistrates' courts and, occasionally, a number of police stations.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what is the number of prisoners by age, sex and location detained in police cells at the latest available date.

Mr. Mellor: On 1-2 May 1985 there were 29 male adults and 11 male young offenders held in police cells, all in the Metropolitan police district.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what is the longest period of time that a prisoner has been detained in police cells in 1985.

Mr. Mellor: Sixteen nights.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the cost *(a)* in 1984 and *(b)* so far in 1985 of police officers guarding prisoners detained in police cells.

Mr. Mellor: Total expenditure on prisoners in police cells during the financial year 1984-85 was provisionally £2·99 million. A significant proportion of this is, however, attributable to prisoners held during the last months of the previous financial year.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what categories of prisoner have been detained in police cells in 1985.

Mr. Mellor: Mainly untried but also some sentenced adult males.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what representations he has received about the conditions in which prisoners are detained in police cells.

Mr. Mellor: In addition to the hon. Member's own letter we currently have one from the chief metropolitan magistrate and one from a member of the public via an hon. Member.

Prisoners (Statistics)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department when he expects there to be a substantial reduction in the prison population.

Mr. Mellor: Seasonal fluctuations apart, I see no grounds for such an expectation at present.

Prisoners (Temporary Release)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) what was the total expenditure on temporary release of prisoners in the most recent year for which figures are available;

(2) what was the total expenditure on home leave of prisoners in the most recent year for which figures are available.

Mr. Mellor: Separate information about expenditure on home leave and temporary release is not available. According to the latest available information, total expenditure on grants and allowances to adult prisoners granted home leave or temporary release in 1984-85 amounted to £232,092.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many prisoners were granted *(a)* terminal home leave and *(b)* short home leave in the most recent year for which figures are available.

Mr. Mellor: In 1983, the latest year for which figures are yet available, terminal home leave was granted on 1,367 occasions and short home leave on 921.

Flyposting

Mr. Batiste asked the Secretary of State for the Home Department how many successful prosecutions there have been in each of the last three years for unauthorised flyposting.

Mr. Mellor: Information collected centrally does not distinguish illegal bill posting from other offences against the Town and Country Planning Acts 1968-71.

Drug Offences (Leeds)

Mr. Batiste asked the Secretary of State for the Home Department how many *(a)* prosecutions and *(b)* convictions there have been in Leeds in each of the last three years for drugs offences (i) involving cannabis and (ii) involving other drugs.

Mr. Mellor: The available information for the years 1981 to 1983 is given in the following table; corresponding information for 1984 is not yet available.

Persons (1) proceeded against and sentenced at Leeds magistrates' court or at the Crown court after committal at Leeds magistrates' court for drugs offences by type of drug involved.

Number of persons

	1981	*1982*	*1983*
Persons proceeded against for offences involving:			
cannabis only	132	156	165
cannabis and other drugs	7	15	33
other drugs	5	20	16
Total	144	191	214
Persons sentenced for offences involving:			
cannabis only	124	150	155
cannabis and other drugs	5	14	32
other drugs	5	19	14
Total	134	183	201

(1) The figures are taken from central records and are approximate.

Community Service Orders

Mr. Tony Lloyd asked the Secretary of State for the Home Department if he will give details of attendance by people serving community service orders.

Mr. Mellor: The responsibility for arranging work for offenders ordered to perform community service rests with probation committees. Subject to the statutory requirement that the hours of work specified in a community service order should be completed within 12 months, the arrangements for attendance of individual offenders are matters for probation committees. In 1983, the most recent year for which statistics are available, the average time taken by offenders to complete their specified hours of work was 6·9 months.

Departmental Facilities Agreement

Mr. Dubs asked the Secretary of State for the Home Department how many representations he has received concerning the departmental facilities agreement with the Civil Service trade unions in his Department.

Mr. Brittan: One.

Mr. Dubs asked the Secretary of State for the Home Department if he is satisfied with the operation of the departmental facilities agreement with the Civil Service trade unions in his Department; and if he will make a statement.

Mr. Brittan: The official side and trade union side of the Home Office departmental Whitley council agreed last year to operate a new departmental facilities agreement for an experimental period of one year, beginning 1 September 1984. It is too early to say if this is working satisfactorily. The arrangements will be reviewed in the light of experience of the experimental period.

Crime Statistics

Mr. Wheeler asked the Secretary of State for the Home Department if he will arrange for the regular publication of statistics of recorded crime for the different parts of the Metropolitan police district.

Mr. Brittan: A number of right hon. and hon. Members have indicated to me that they would find it helpful to have regular statistics of recorded crime for the different parts of the Metropolitan police district. I am sympathetic towards this request, and I have therefore been considering, in consultation with the Commissioner of Police of the Metropolis, how such statistics could best be provided. With his agreement, I am making the following arrangements.

I shall arrange for a table of notifiable offences recorded by the police in each borough and district in the

Metropolitan police district to be placed in the Library each quarter. In addition, a table will be produced at the beginning of each year giving for each borough and district the numbers of offences recorded and the clear-up rate for the whole of the previous year. The first table, covering the first quarter of 1985, will be produced in June. As an interim measure, I am today arranging for tables to be placed in the Library showing the number of notifiable offences recorded by the police in each police district within the Metropolitan police district in the third and fourth quarters of 1984 and the clear-up rate for 1984 in each police district. Similar figures for previous quarters back to the beginning of 1983 were contained in a reply given on 12 December 1984, at columns 479-84, to the hon. Member for Holborn and St. Pancras (Mr. Dobson).

I hope that the arrangements I have made will be helpful to right hon. and hon. Members. The statistics should also prove of interest to local police/community consultative groups since they will relate to the areas covered by the groups and will be available for discussion at group meetings.

EDUCATION AND SCIENCE

Policy Statement

Mr. Simon Hughes asked the Secretary of State for Education and Science when he expects to issue a policy statement, of the type referred to in paragraph 32 of "Better Schools", on education in schools in art, craft, design and technology.

Mr. Dunn: We propose to publish in due course, and after consultation, policy statements on a number of areas of the school curriculum. The timing and coverage of these statements will depend on the course of the consultations.

"Curriculum Matters"

Mr. Simon Hughes asked the Secretary of State for Education and Science whether the "Curriculum Matters" series published by Her Majesty's inspectorate will include documents on art, craft, design and technology; and if he will make a statement.

Mr. Dunn: Her Majesty's inspectorate intends that its "Curriculum Matters" series of discussion documents should cover all the main subjects and aspects of the curriculum for 5 to 16-year-olds, including art and craft, design and technology. The documents are at various stages of preparation and Her Majesty's inspectorate hope that most can be satisfactorily developed ready for publication during the coming year.

ENVIRONMENT

House of Commons (Cleaning)

15. **Mr. Hoyle** asked the Secretary of State for the Environment who were the private contractors who shared the contract for cleaning the House of Commons with Exclusive prior to Exclusive being given the sole contract in 1982.

Sir George Young: Prior to 1982, the following firms in addition to Exclusive Cleaning and Maintenance (London) held contracts for cleaning parts of the Palace of Westminster and the Parliamentary Estate, although the contract for cleaning the House of Commons was not shared;

Strand Cleaning Services Ltd., Dulwich
Vigiliant Cleaning Services Ltd., London EC1
Daily Office Cleaning Contractors Ltd., Staines
C. & P. Bygraves Ltd., Streatham

Improvement Grant System

16. **Mr. Latham** asked the Secretary of State for the Environment when he proposes to publish his review of the improvement grant system.

Mr. Gow: Tomorrow.

House Building

17. **Mr. Roy Hughes** asked the Secretary of State for the Environment if he has any plans to stimulate house building in the public and private sectors.

Mr. Patrick Jenkin: According to the House Builders Federation, four out of five private housebuilders are expecting to maintain or increase starts in the next 12 months.

Housing Stock

18. **Mr. Willie W. Hamilton** asked the Secretary of State for the Environment what new initiatives he intends to take in the next few months to improve the state of the housing stock.

Mr. Gow: The Government will publish tomorrow a Green Paper outlining new proposals to improve the condition of private housing in England and Wales. My Department has asked English local authorities for a report on the condition of their housing stock. The results are expected in July.

Gross housing provision in England in the current year is £3,051 million, of which a substantial part will be spent on improving public sector housing.

"Decaying Britain"

20. **Mr. Beith** asked the Secretary of State for the Environment if he will make a statement on the Royal Institute of British Architects' publication "Decaying Britain", a copy of which has been sent to him.

Mr. Gow: I have read the booklet with interest. I have no doubt that it will be discussed when my right hon. Friend and I meet the Group of Eight on 17 June to consider the NEDO report on the infrastructure.

Air Pollution

21. **Mr. Kenneth Carlisle** asked the Secretary of State for the Environment what further proposals he has to reduce levels of air pollution; and whether he will make a statement.

Mr. Waldegrave: The Government intend to achieve further reductions in national sulphur dioxide and nitrogen oxide emissions, aiming at a reduction of 30 per cent. from 1980 levels by the end of the 1990s, and it has played a prominent role in the Community negotiations which will lead to tighter vehicle emission controls.

Northern Regional Industrial Executive

22. **Mr. Dormand** asked the Secretary of State for the Environment if he will make a statement on his recent meeting with members of the proposed northern regional industrial executive.

Mr. Patrick Jenkin: The group which I and other Ministers met on 17 April represented a range of interests in the public and private sectors. It described its proposals for a new body to co-ordinate promotion and industrial development in the north of England. Welcoming this positive effort to overcome the region's industrial difficulties, we said that if all the key elements in the region—including the local authorities—think that this initiative is the best way forward, then the Government would be ready to recognise it.

Development Policy

23. **Mr. Adley** asked the Secretary of State for the Environment what is his policy towards *(a)* the encouragement of development where it is economically and socially desirable and *(b)* green belt development in the wealthier parts of Great Britain.

Mr. Patrick Jenkin: I refer my hon. Friend to circulars 14/84, 15/84, 16/84 and 22/84 which set out the Government policies on the matters raised in his question.

Mobile Homes Act 1983

24. **Mr. Nicholls** asked the Secretary of State for the Environment if he will introduce legislation to amend the Mobile Homes Act 1983.

Sir George Young: No. I do not believe that the 1983 Act requires amendment. I met representatives of mobile home residents, together with my hon. Friend the Member for Ravensbourne (Mr. Hunt), on 22 April to discuss how the Act is operating. As a result, my Department will consult further with residents and other interested groups about how the Act can be made to work more effectively.

South London Boroughs

25. **Mr. Tom Cox** asked the Secretary of State for the Environment if he will list the south London boroughs he has visited during the last 12 months.

Mr. Patrick Jenkin: I have visited Lambeth, Hammersmith and Fulham, and Thamesmead which lies in Greenwich and Bexley. My colleagues have visited other south London boroughs.

Comité Euro-International du Béton

26. **Mrs. Renée Short** asked the Secretary of State for Environment why the contribution of his Department to the Comité Euro-International du Béton has been reduced.

Sir George Young: The Government's contribution to the British National Committee (BNC) of the Comité Euro-International du Beton (CEB) via the Property Services Agency increased from £2,000 in 1980 to £3,600 in 1984. As the BNC has now opted for a less expensive membership classification in the CEB, a reduced contribution will be appropriate in 1985.

Asbestos

27. **Mr. Loyden** asked the Secretary of State for the Environment what additional financial support he is giving to local authorities for the removal of asbestos from buildings.

Sir George Young: Funds are not made available specifically for the removal of asbestos, but rate support grant is paid in support of local authority revenue expenditure generally, including expenditure on asbestos. In the case of housing capital expenditure, it is open to any authority to raise the question of expenditure on asbestos in its housing investment programme bid, if it is in receipt of subsidy.

Borough Council Employees

28. **Mr. Favell** asked the Secretary of State for the Environment how many borough council employees there are per thousand head of population in *(a)* Manchester and *(b)* Stockport.

Mr. Kenneth Baker: The answer is 78·7 staff per 1,000 population in Manchester and 38·5 in Stockport.

Canal Improvement

29. **Mr. Skinner** asked the Secretary of State for the Environment if he will allocate additional funds to the British Waterways Board to improve canals; and if he will make a statement.

Mr. Macfarlane: No. The board already receives adequate support to maintain its canals and to undertake a programme of improvements.

Public Footpaths

30. **Mr. Andrew F. Bennett** asked the Secretary of State for the Environment how many representations he has received in the last 12 months about the obstruction of public footpaths.

Mr. Waldegrave: Fourteen.

Building Land Reclamation

31. **Mr. Andrew MacKay** asked the Secretary of State for the Environment if he is satisfied with the speed of building land reclamation in the inner cities.

Mr. Kenneth Baker: In general, yes. This year we will make available £76 million which we estimate will fund the reclamation of between 1,300 and 1,700 hectares. Since 1979 we have reclaimed 7,700 hectares. Much still needs to be done.

Precast Concrete Houses

32. **Mr. Amess** asked the Secretary of State for the Environment how many precast concrete local authority houses there are in (i) Basildon, (ii) Essex and (iii) the United Kingdom; and how many have been sold under the legislation governing local authority house sales.

Sir George Young: Information is not available in the form sought. However, my Department understands that the number of prefabricated concrete dwellings built before 1960 by local authorities and other public sector

bodies in the Basildon district council area is 80, the number in Essex approximately 4,500, and the number in the United Kingdom as a whole some 170,000, of which 16,500 are now in private ownership.

System-built Housing

33. **Mr. Fatchett** asked the Secretary of State for the Environment if he has any plans to provide additional resources to local authorities for the repair and renovation of system-built housing; and if he will make a statement.

Mr. Gow: We will be considering what resources should be made available to local authorities for housing investment next year as part of the usual public expenditure planning process. We will take account of the information from the Department's inquiry into the repair and improvement needs of the local authority housing stock, individual authorities' housing investment programme submissions, and all other relevant information.

Government Purchasing

34. **Mr. Thurnham** asked the Secretary of State for the Environment what measures he proposes following the conclusions of the recent report by the Management and Personnel Office on Government purchasing.

Sir George Young: My right hon. Friend has welcomed this report. The purchasing organisations for which he has responsibility are submitting action documents describing how the conclusions are to be implemented to the Management and Personnel Office.

Water Authorities

35. **Mr. Eggar** asked the Secretary of State for the Environment what progress he has made in denationalising the water authorities.

Mr. Gow: I announced in answer to my hon. Friend on 3 April in column 668-69 that a discussion paper had been sent to water authority chairmen and to the chairman of the Water Companies Association. I hope that they will be able to reply by the end of this month. Meanwhile, I have set up an official working group which is examining the issues involved.

Air Pollution (Coal-Fired Power Stations)

36. **Mr. Heathcoat-Amory** asked the Secretary of State for the Environment what steps he is taking to monitor air pollution arising from harmful emissions from coal-fired power stations.

Mr. Waldegrave: Her Majesty's industrial air pollution inspectorate requires power station emissions of smoke and fine particulates and, where practicable, grit and dust to be monitored continuously. The CEGB also operates air quality monitoring stations around its power stations, within the framework of the United Kingdom smoke and sulphur dioxide monitoring network. In response to several recent reports, the Government are extending the network of sites monitoring atmospheric levels of sulphur dioxide, nitrogen oxide and ozone and acid deposition.

City Action Team Policy

37. **Mr. Peter Bruinvels** asked the Secretary of State for the Environment what criteria he used in selecting certain inner city areas for designation and help by the city action team; and whether he will consider including the city of Leicester under this scheme.

Mr. Kenneth Baker: The five city action teams have been set up in the inner city partnership areas where they complement existing machinery for joint action. Ministers will keep the work of the teams under review, and consider, in the light of experience, whether other areas would benefit from similar arrangements. Meanwhile, the Government will continue to recognise the needs of the inner city areas of Leicester and other authorities through the urban programme and other programmes.

Rating

38. **Mr. Bruce** asked the Secretary of State for the Environment when he expects to be in a position to announce the outcome of the Government's consideration of rating reform.

Mr. Kenneth Baker: I refer the hon. member to my reply earlier today to the hon. Member for St. Helens, North (Mr. Evans), my hon. Friends the Members for Staffordshire, Moorlands (Mr. Knox) and for Mid-Staffordshire (Mr. Heddle) and the hon. Member for Woolwich (Mr. Cartwright).

Traditional Urban Programme

Ms. Harman asked the Secretary of State for the Environment which of the projects submitted to his Department by the London borough of Southwark under circular 25 of the traditional urban programme have been visited by his officials.

Sir George Young: The London borough of Southwark submitted 15 projects under circular 25. An official from my Department visited five and met representatives of the other 10. Those visited were:

East Dulwich Community Project
Sojourner House
Peckham Black Women's Group
Community Development for Mentally Handicapped
St. Judes Community Centre.

Ms. Harman asked the Secretary of State for the Environment if he will undertake to make available before the end of May to the Association of Metropolitan Authorities, for its comments, the draft circular for the traditional urban programme; and if he will further undertake not to publish the circular in its final form until he has received the comments of the Association of Metropolitan Authorities.

Sir George Young: It is normal practice to consult the local authority associations in this way, but I cannot yet give a firm timetable for this year.

Ms. Harman asked the Secretary of State for the Environment if he has received any representations advocating the disbanding of the traditional urban programme; and if he will make a statement.

Sir George Young: I have received no such representations.

Ms. Harman asked the Secretary of State for the Environment if he will make a statement on the future of the traditional urban programme.

Sir George Young: My right hon. Friend will consider the future of the traditional urban programme in the light of the resources available for the urban programme as a whole, and his wish to concentrate them in the most needy areas.

Ms. Harman asked the Secretary of State for the Environment if he will set out the total financial allocation for the traditional urban programme for each of the years 1979-80 to 1985-86, inclusive.

Sir George Young: Total financial allocations for the traditional urban programme for each of the years 1979-80 to 1985-86 are as follows:

	Allocation £ million
1979-80	30
1980-81	33
1981-82	42
1982-83	47
1983-84	52
1984-85	44
1985-86	40

The allocation for 1983-84 includes resources for approvals under circular 23 to the eight authorities promoted to programme status in February 1983. From 1984-85 these areas are no longer a call on the traditional urban programme, as continuing projects approved under earlier circulars are included in their inner area programmes.

Smith Houses

Miss Boothroyd asked the Secretary of State for the Environment, pursuant to his reply of 5 July 1984, *Official Report*, column *258*, if he will provide an updated list of the constituencies in which Smith houses have been reported to have defects.

Mr. Gow: My reply of 5 July 1984 to my hon. Friend the Member for Birmingham, Hall Green (Sir R. Eyre), column *258*, listed those constituencies in which Smith houses were known to be located. The list is not exhaustive and the hon. lady has recently written to my right hon. Friend the Secretary of State for the Environment pointing out that there are Smith houses in the West Bromwich, West constituency.

Miss Boothroyd asked the Secretary of State for the Environment what information is available to his Department on the number of Smith system houses in the United Kingdom and the number of such houses in which defects have been reported.

Mr. Gow: The information available to the Department shows that some 4,500 Smith houses were built in England and Wales between 1945 and 1955. The Building Research Establishment report on the structural condition of Smith houses found that they are liable to exhibit thermal or moisture movement; but we have no evidence that this has led to any substantial reduction in value. Some Smith houses in Birmingham are defective because of the use of shale fill in their construction but this is not inherent in the Smith system of construction.

Miss Boothroyd asked the Secretary of State for the Environment whether he will designate Smith houses as a class under section 1 of the Housing Defects Act 1984; and whether he will make a statement.

Mr. Gow: I refer the hon. Lady to the replies which I gave to the hon. Member for Birmingham, Hodge Hill (Mr. Davis) on 31 July 1984, at column 253, and the hon. Member for Leicester, East (Mr. Bruinvels) on 11 March 1985, at column 9, on this subject.

House Building

Mr. Flannery asked the Secretary of State for the Environment if he has any plans to increase the rate of house building in the public sector.

Mr. Patrick Jenkin: The Government's plan for the housing programme set out in the public expenditure White Paper, show provision of over £3 billion this year and for the next two years. Most of this is allocated to local authorities and it is for them to decide how much to spend on new building.

Ordnance Survey

Mr. Hirst asked the Secretary of State for the Environment if he will make a statement on the future of the commercial activities of Ordnance Survey.

Mr. Waldegrave: The commercial activities of the Ordnance Survey will continue under the conditions clearly set out in the "Guidelines for OS Commercial Activities" published on 26 July 1984.

Urban Programme

Mr. Pike asked the Secretary of State for the Environment if he will list in the *Official Report* allocations approved for each local authority in England under the urban programme phase 25.

Sir George Young [*pursuant to his reply*, 17 April 1985, c. *179*]: The allocations approved for each local authority in England under the traditional urban programme circular 25 are as follows. A full list of the projects approved under circular 25 will be deposited in the Library.

	£
London Boroughs	
Barking and Dagenham	17,901
Barnet	21,350
Camden	90,000
Croydon	20,777
Ealing	138,417
Greenwich	140,864
Haringey	247,180
Hounslow	50,000
Kensington and Chelsea	79,256
Lewisham	158,000
Newham	399,645
Southwark	165,543
Waltham Forest	183,480
Westminster	85,000
GLC	40,000
ILEA	92,499
District Councils	
Allerdale	100,000
Barnsley	26,700
Brighton	83,700

	£
Burnley	68,620
Bristol	197,969
Bury	5,000
Calderdale	70,533
Copeland	14,670
Corby	72,500
Darlington	21,630
Derby	103,000
Derwentside	64,500
Doncaster	76,427
Dudley	139,800
Durham	30,000
Easington	34,883
Ellesmere Port and Neston	36,000
Gillingham	4,000
Gravesham	1,000
Grimsby	70,000
Halton	24,000
Hartlepool	145,000
Hastings	18,085
Hyndburn	50,000
Ipswich	12,000
Kirklees	174,764
Lancaster	33,000
Langbaurgh	189,370
Lincoln	30,000
Luton	6,480
Milton Keynes	38,774
Nuneaton and Bedworth	59,900
Oxford	20,900
Pendle	38,530
Peterborough	84,810
Plymouth	16,170
Portsmouth	66,700
Preston	90,021
Rossendale	12,000
Rotherham	84,777
St Helens	118,670
Scunthorpe	77,773
Sedgefield	121,652
Sefton	87,902
Slough	8,558
Solihull	36,000
Southampton	30,300
Stockport	71,976
Stockton-on-Tees	114,090
Stoke-on-Trent	92,486
Tameside	110,623
Trafford	183,115
Wakefield	82,100
Walsall	117,167
Warrington	25,000
Warwick	5,000
Wear Valley	93,200
Wellingborough	12,000
Wigan	127,356
Wrekin	80,710
County Councils	
Avon	93,043
Bedfordshire	60,555
Berkshire	13,600
Buckinghamshire	9,800
Cheshire	105,127
Cornwall	47,000
Cleveland	44,500
Derbyshire	165,350
Devon	30,000
Durham	52,671
East Sussex	28,332
Essex	20,000
Hampshire	60,610
Hereford and Worcester	21,820
Humberside	58,603
Kent	30,650
Lancashire	53,548
Leicestershire	66,500
Merseyside	7,600
Northamptonshire	36,079
North Yorkshire	17,500
Shropshire	37,750
Somerset	9,934
South Yorkshire	50,372
Staffordshire	14,040
Warwickshire	2,750
West Midlands	32,736
West Yorkshire	70,000
Wiltshire	17,000

Rates

Lord James Douglas-Hamilton asked the Secretary of State for the Environment what is the present average rateable value in each local authority in England of *(a)* domestic ratepayers, *(b)* commercial ratepayers and *(c)* industrial ratepayers; and if he will publish a table.

Mr. Waldegrave [*pursuant to his reply*, 7 May 1985, c. *303-4*]: Latest available information relates to April 1984. I have today placed this in the Library.

Lord James Douglas-Hamilton asked the Secretary of State for the Environment what are the average rates payments for *(a)* domestic ratepayers, *(b)* commercial ratepayers and *(c)* industrial ratepayers for each local authority in England.

Mr. Waldegrave [*pursuant to his reply*, 7 May 1985, c. *303-4*]: Latest available estimates of average rate payments relate to 1984-85. I have today placed these in the Library.

Quarry Hills Lane, Lichfield

Mr. Heddle asked the Secretary of State for the Environment when his decision will be announced in respect of the public inquiry held in January into the section 212 proposals for the possible closure of Quarry Hills lane, Lichfield.

Mr. Michael Spicer: I have been asked to reply. I expect to announce my decision shortly.

Birds (Public Health)

Mr. Kilroy-Silk asked the Secretary of State for the Environment if he will specify the apparent danger to public health and the location, caused by feral pigeons, house sparrows, herring gulls and starlings for which licences to kill the birds were granted in 1984 and 1985.

Mrs. Fenner: I have been asked to reply.

Feral pigeons, house sparrows, starlings and herring gulls can carry bacterial diseases transmissible to humans.

Licences to kill these species were issued in the areas set out in my reply to the hon. Member of 25 April at column 544. In view of the large numbers of licences involved, it is not practicable to list every location.

Bullfinches

Mr. Kilroy-Silk asked the Secretary of State for the Environment what were the reasons for the granting of a licence to kill bullfinches in 1984 and 1985; if he will list the sites where they were killed; and if he will estimate the number of birds killed.

Mrs. Fenner: I have been asked to reply.

The general licence to kill or take bullfinches in 1984 and 1985, issued by my Department in consultation with the Nature Conservancy Council, permits fruit growers in certain specified areas to control bullfinches to prevent serious damage to the buds of fruit trees or fruit bushes.

The areas where fruit growers are permitted to take action are set out in the following table.

As agreed with the NCC, statistics on the numbers of bullfinches killed or taken are not required. It is not therefore possible to estimate the number of birds killed.

WILDLIFE AND COUNTRYSIDE ACT 1981

AREAS IN WHICH BULLFINCHES MAY BE KILLED OR TAKEN

In the county of Bedfordshire, the parish of Cockayne Hatley.
In the county of Berkshire, the parishes of Bucklebury, Hungerford and Cookham.
In the county of Buckinghamshire, the district of Chiltern, and the parishes of Cheddington, Drayton Parslow, Iver, Chepping Wycombe and Wooburn.
In the county of Cambridgeshire, the districts of East Cambridgeshire, Fenland, Huntingdon and South Cambridgeshire.
The county of Essex.
In the county of Gloucestershire, the districts of Cotswold, Forest of Dean and Tewkesbury, and the parish of Wotton-under-Edge.
In the county of Hampshire, the districts of Fareham, Havant and Winchester (City), and the parishes of Bramshott and Liphook, Selbourne, West End, South Warnborough, Hordle, Lymington and Pennington, Braishfield and Leckford.
In the county of Hertfordshire, the parishes of Cottered, Hertingfordbury, Bygrave, Colney Heath and Harpenden Rural.
The county of Hereford and Worcester.
The county of Kent.
In the county of Lincolnshire, the district of South Holland, and the parishes of Wyberton, North Scarle and Dowsby.
In the county of Greater London (SE), the London Borough of Bromley.
The county of Norfolk.
In the county of Northamptonshire, the parish of Nether Heyford.
In the county of Oxfordshire, the districts of South Oxfordshire and Vale of White Horse.
In the county of Shropshire, the district of South Shropshire, and the parishes of Prees and Lillieshall.
The county of Suffolk.
In the county of Surrey, the districts of Elmbridge, Runnymede, Tandridge, Waverley and Woking, and the parish of Charlwood.
In the county of East Sussex, the districts of Rother and Wealden, and the parish of Newick.
In the county of West Sussex, the districts of Arun, Chichester, Horsham and Mid-Sussex.
In the county of Warwickshire, the district of Stratford-on-Avon, and the parishes of Brandon and Bretford, Monks Kirby and Sherbourne.
In the county of Wiltshire, the parishes of Wilcot, Box and Bowerchalke.

TRADE AND INDUSTRY

Package Holidays

Mr. Rost asked the Secretary of State for Trade and Industry when he expects the report from the Monopolies and Mergers Commission's investigation into the supply of package holidays by tour operators through travel agents.

Mr. Fletcher: The report is due by 31 July 1986.

Telecommunications Development

Mr. Jackson asked the Secretary of State for Trade and Industry if the Government have completed their initial consideration of the report of the Independent Commission for World-Wide Telecommunications Development; and if he will make a statement.

Mr. Pattie: Yes. The Government have, in consultation with other interested parties, completed their initial review of the commission's report and I have written to the secretary-general of the International Telecommunications Union with our comments. Points included in my letter are:

—we endorse the Commission's general approach and support many of its recommendations;
—we already provide substantial financial and technical development assistance for telecommunications under bilateral and multilateral aid programmes;
—individual developing countries will wish to consider the weight to be given to telecommunications development in the light of their particular priorities; we are ready to review with recipient countries the relative priority for telecommunications under our aid programmes;
—we support the concept, outlined in the report, for a Centre for Telecommunications Development but this proposal must be further developed before finance is sought from the private sector.

I have arranged for a copy of the commission's report and of my letter to the secretary-general to be placed in the Library of the House.

Ceramic Sanitaryware

Mr. Heddle asked the Secretary of State for Trade and Industry if he will give full details of the representations made to him by the ceramic industry regarding the state aid given by the Belgian Government to Boch S.A.; and what action his Department is taking to protect the interests of British ceramic sanitaryware manufacturers.

Mr. Channon: The Council of British Ceramic Sanitaryware Manufacturers and others have made representations to my Department on a number of occasions about the damaging effects of imports of subsidised ceramic sanitaryware produced by Boch S.A.

We have repeatedly made clear to the Commission, whose responsibility it is to enforce the state aid provisions of the treaty, our concern about the deleterious effects of these subsidised imports on British manufacturers. Indeed I discussed this personally with Commissioner Sutherland in February and continue to press him for a satisfactory conclusion to this matter.

Regional Aid (Jobs)

Mr. Sean Hughes asked the Secretary of State for Trade and Industry how many jobs have been created directly as a result of regional development grants and regional selective financial assistance in each region of the United Kingdom in the last 12 months; and if he will estimate the number of jobs resulting indirectly.

Mr. Trippier: There are no estimates available for the number of jobs created as a result of regional development grants alone over the last 12 months. Estimates are, however, available of the employment expected to be created or safeguarded by projects receiving offers of assistance under section 7 of the Industrial Development Act 1982 (Regional Selective Assistance) in the regions and counties of Great Britain and projects receiving offers of selective assistance in Northern Ireland. These estimates are shown in the table below. We have no evidence about the number of jobs resulting indirectly, but our normal assumption is that for every 100 jobs created in manufacturing in a region, there will be another 40 jobs created in other industries within the region.

Employment Expected to be Created or Safeguarded by Projects in Receipt of Offers of Section 7 Assistance (Great Britain) or Selective Financial Assistance (Northern Ireland) During 1984-85 by Standard Region and County

	Number
North	12,889
North West	5,204
Yorkshire and Humberside	2,655
East Midlands	1,700
West Midlands	259
South West	2,195
Scotland	24,213
Wales	17,080
Northern Ireland	15,862

Mr. Sean Hughes asked the Secretary of State for Trade and Industry what is the cost-per-job limit set on projects financed by regional development grants and regional selective financial assistance.

Mr. Trippier: Under the new regional development grant scheme the grant payable in respect of the carrying out of an approved project is the higher of 15 per cent. of RDG eligible capital expenditure, subject to a grant-per-job limit of £10,000 for each net new job created or £3,000 for each such job. The grant-per-job limit does not apply to the first £500,000 of RDG eligible expenditure on a project which is carried out by an undertaking which, together with any associated undertaking, employs 200 or fewer people. In the case of manufacturing projects, grant calculated on the basis of jobs created may not, because of a requirement of the European Community, exceed 40 per cent. of the total capital expenditure involved in the project.

Regional selective assistance is negotiated on the basis of the minimum grant necessary to enable a project to go ahead. Internal negotiating guidance is not revealed publicly.

Honduras

Mr. Corbyn asked the Secretary of State for Trade and Industry what is the volume and value of trade with Honduras for each year since 1975.

Mr. Channon [*pursuant to the reply*, 7 May 1985, c. *316*]: Information relating to volume is not available for individual countries. The available information is as follows:

Value £ million

	United Kingdom imports	*United Kingdom exports*
1975	0·7	4·2
1976	0·5	4·6
1977	1·1	7·0
1978	2·2	8·4
1979	4·0	9·0
1980	8·7	11·8
1981	4·1	8·6
1982	4·7	4·7
1983	7·1	9·6
1984*	12·4	7·4

Source: Data corresponding to United Kingdom Overseas Trade Statistics Table IB.

Notes:

(i) all data is on a SITC/R2 basis.

(ii) United Kingdom imports are valued cif, United Kingdom exports are valued fob.

(iii) *1984 figures are provisional.

Telecommunications Equipment

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry if he is satisfied that British manufacturers of telecommunications equipment enjoy the same access to the Swedish market as Swedish manufacturers of telecommunications equipment have to the British market.

Mr. Butcher [*pursuant to the reply*, 3 May 1985, c. *276*]: Access to other markets by British manufacturers of telecommunications equipment can be impeded by technical requirements and by procurement policies in the markets concerned. The position is unsatisfactory and, where this is so, I shall continue to bring to the attention of other administrations the advantages, both to users and to suppliers, of greater liberalisation.

Mr. Phillip Oppenheim asked the Secretary of State for Trade and Industry what proportion of telecommunications equipment which is assembled in the United Kingdom is manufactured locally, by ex-factory percentage of value; and what proportion of this value is accounted for by labour and what by component.

Mr. Butcher [*pursuant to the reply*, 3 May 1985, c. *276*]: This information is not available from official statistics.

ENERGY

Renewable Energy (R and D)

Mr. Speller asked the Secretary of State for Energy if he will publish the recent review of the renewable energy research and development programme and the Advisory Council on Research and Development recommendations on that review before making a decision on the future of the programme.

Mr. David Hunt: My colleagues and I are now considering how renewable energy research and development can best be carried forward during the next few years. We have the benefit of analyses by our Energy Technology Support Unit and the Department's Renewable Energy Advisory Committee as well as recent advice from my chief scientific adviser and the Advisory Council on R and D (ACORD). I expect to make an announcement to the House during the next few weeks and to make available supporting documents including details of ACORD's role in the current review of renewables.

British Petroleum

Mr. Craigen asked the Secretary of State for Energy how many copies of the most recent annual report of British Petroleum have been received by his Department; how many were received of the previous such report; and if he will make a statement.

Mr. Peter Walker: The Department does not keep relevant records.

North Sea Gas

Mr. Wilson asked the Secretary of State for Energy what was the quantity of gas flared off in the North sea in 1984, 1983, 1982 and 1981.

Mr. Buchanan-Smith: The quantity of gas flared in the North sea during the last four years is as follows:

(million cubic metres/day)

Year	*Gas flared*
1981	11·54
1982	11·09
1983	9·67
1984	8·65

Over the same period, production of oil has increased by over 40 per cent. from 89·4 million tonnes to 125·9 million tonnes.

Mr. Wilson asked the Secretary of State for Energy if he will give renewed consideration to a gas-gathering project for the North sea to collect some of the gas currently flared.

Mr. Buchanan-Smith: Substantial progress is already being made within the offshore industry in reducing levels of gas flaring, through reinjection, piping gas to shore in solution with oil, improvements in the design and efficiency of plant and through construction of gas gathering schemes. All these contribute significantly to the Government's objective of securing maximum economic recovery of reserves. We shall continue to pursue vigorously that objective.

Nuclear Installations Inspectors

Mr. Proctor asked the Secretary of State for Energy if he will make a statement on the implications of dispersal of Her Majesty's nuclear installations inspectors, for the dates for commissioning the Heysham 2 and Torness power stations.

Mr. Goodlad: I am advised by the Health and Safety Commission that dispersal of HM NII will not have any implications for the anticipated commissioning dates of the Heysham 2 and Torness power stations.

Nuclear Power Stations

Mr. Proctor asked the Secretary of State for Energy if he will list those Magnox nuclear power stations which will reach 20 years' operation within the next two years.

Mr. Goodlad: The information is as follows:

Hinkley Point 'A'—(1985)
Trawsfynydd—(1985)
Dungeness 'A'—(1985)
Sizewell 'A'—(1986)

Mr. Proctor asked the Secretary of State for Energy (1) if he will list those Magnox nuclear power stations which have been operating for over 20 years; whether Her Majesty's Nuclear Installations Inspectorate has re-endorsed the safety cases for those stations listed; and if he will make a statement;

(2) what representations he has received from Her Majesty's Nuclear Installations Inspectorate concerning safety reviews of the older Magnox nuclear power stations operated by the Central Electricity Generating Board and the South of Scotland Electricity Board in order for their operation to continue beyond their original nominal design life of 20 years; and if he will make a statement.

Mr. Goodlad: I have received no representations from Her Majesty's Nuclear Installations Inspectorate concerning safety reviews of the older Magnox nuclear power stations operated by the CEGB and SSEB.

The following Magnox nuclear power stations have been operating for over 20 years:

Calder Hall
Chapel Cross
Bradwell
Berkeley
Hunterston 'A'

The safety of nuclear power reactors in the United Kingdom is the subject of continuous assessment. Each nuclear power reactor is required by a condition of its nuclear site licence to be shut down every two years for examination, inspection, maintenance and testing. The reactor cannot be started up after its shut-down until Her Majesty's Nuclear Installations Inspectorate is satisfied that it is safe to operate and consent has been given by the Health and Safety Executive.

In addition, the NII and the licensees of these nuclear power stations agreed some years ago that a review would be undertaken by the licensee of each station's safety features and performance after some 20 years of operation. Such a review is either completed or under way for each station.

Mr. Proctor asked the Secretary of State for Energy if he will instruct Her Majesty's Nuclear Installations Inspectorate to carry out a fully-detailed assessment of the safety cases for Heysham 2 and Torness nuclear power stations to the standard of assessment of the Sizewell B pressurised water reactor before these stations are allowed to operate.

Mr. Goodlad: Heysham 2 and Torness are the latest of a line of advanced gas cooled reactors of a design familiar to the Nuclear Installations Inspectorate and for which there have been many years of operational experience in the United Kingdom. They were licensed in 1980 by the Health and Safety Executive after a comprehensive assessment of the pre-construction safety reports by the Nuclear Installations Inspectorate.

The assessment of the safety case for Heysham 2 and Torness is being made to similar standards as those for Sizewell 'B'.

OVERSEAS DEVELOPMENT

Ethiopia and Sudan (Food Aid)

Mr. Tony Lloyd asked the Secretary of State for Foreign and Commonwealth Affairs how much food aid has been promised by the European Communities and the United Kingdom to Ethiopia and Sudan for 1985; and how much has been delivered so far in the current year.

Mr. Raison: The figures are as follows:

Tonnes of wheat or wheat equivalent

	Ethiopia	*Sudan*
1. European Community		
Commitments	200,000	94,000
Deliveries*	70,000	29,400
2. United Kingdom		
Commitments	15,000	45,000
Deliveries	15,000	†10,000

Notes:
* Includes deliveries from commitments made in 1984 and 1985.
† The remaining 35,000 tonnes will reach Sudan during May.

International Fund For Agricultural Development

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government intend to make an additional contribution to the international fund for agricultural development.

Mr. Raison: The Government intend to make a contribution to the second replenishment of the International Fund for Agricultural Development, if and when the replenishment is approved by the donors. The question of additional contributions, outside the replenishment, cannot arise until after the replenishment itself has been set in place.

WALES

Departmental Committees of Inquiry

Mr. Eggar asked the Secretary of State for Wales how many departmental committees of inquiry he and his predecessors have established since 1964; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Nicholas Edwards: The information requested is set out below. It does not include either departmental working parties chaired by permanent officials or inquiries undertaken by one individual.

Committee	*Chairman*	*Date appointed*	*Date of report*
Committee on the Status of The Welsh Language	Sir David Hughes Parry, QC	*30 July 1963	October 1965
Committee of Inquiry into Allegations of ill treatment of patients and other irregularities at the Ely Hospital, Cardiff	Mr. Geoffrey Howe, QC	27 August 1967	27 March 1969
Committee of Inquiry into water charges in the area of the Welsh National Water Development Authority	Sir Goronwy Daniel	4 September 1974	5 March 1975
Council for the Welsh language	Mr. Ben G. Jones	October 1976	1978

* Established by the Minister of Housing and Local Government and Minister for Welsh Affairs, but reported to the Secretary of State for Wales.

Rhymney Valley (Deprivation)

Mr. Rowlands asked the Secretary of State for Wales, pursuant to his answer on 22 April, *Official Report*, column *605*, about deprivation in the Rhymney Valley, how many reports were sent to the Rhymney Valley council; to whom and under what terms; when he received the report; what action he took upon the report; and whether he will now send a copy to the hon. Member for Merthyr Tydfil and Rhymney.

Mr. Wyn Roberts: One copy of the area improvement renewal policy report was sent to the director of environmental services of Rhymney Valley district council. As the report had not been commissioned for publication, the copy was sent to him on a personal basis; but the Department accepted that he would take account of its contents in advising his council. The report was received in April 1984 and it has been taken into account in formulating the Welsh Office input to the inter-departmental review of private sector improvement policy, resulting in a Green Paper which will be issued this month. I refer the hon. Gentleman to the reply my right hon. Friend gave him on 29 April 1985, in columns 16-17.

Job Creation

Mr. Ron Davies asked the Secretary of State for Wales what has been the cost per job created as a result of the European Coal and Steel Community funds to projects in Wales over the past 12 months for which figures are available; and how this compares with equivalent figures for all European Economic Community funds and the Government's own regional industrial policy, respectively.

Mr. Nicholas Edwards: As many projects benefit simultaneously from aid from more than one of these sources, it would be misleading to relate the value of European Coal and Steel funds provided in any year to an expected number of jobs in the form of a cost per job ratio. For the same reason, it is not possible to draw a valid comparison in cost per job terms between ECSC aid, European Community aid as a whole and assistance provided under the Government's regional industrial policy.

FOREIGN AND COMMONWEALTH AFFAIRS

Drugs

Mr. Murphy asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with other Foreign Ministers regarding concerted action to prevent raw drugs entering Europe from other parts of the world; and if any initiatives are planned in conjunction with Third world Governments.

Mr. Renton: My right hon. Friend the Prime Minister and my right hon. and learned Friend had discussions with other Heads of Government and Foreign Ministers at the economic summit on 3 May about the misuse of drugs. As my right hon. Friend the Prime Minister told the House yesterday, it was clear that almost every country was deeply concerned about the effects of drugs and anxious to ensure that we could do more to combat drug trafficking. It was agreed to set up an expert committee to see what further could be done. These discussions were part of our continuing co-operative efforts, both bilateral and multilateral, in this field. These efforts are described more fully in the recent published summary of our strategy "Tackling Drug Abuse".

Non-proliferation Treaty Conference

Mr. D. E. Thomas asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the non-governmental organisations accredited with observer status at the non-proliferation treaty conference to be held in Geneva through September.

Mr. Luce: I refer the hon. Member to the reply I gave him on 31 January, in column 274. Non-governmental organisations may attend meetings of the plenary and of

the main committees as observers. Those wishing to do so should inform the provisional secretary general of the review conference, who may be found at the United Nations Department for Disarmament Affairs in New York.

Mr. D. E. Thomas asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish the conclusion of the preparatory committee meeting on 3 May of the non-proliferation treaty review conference.

Mr. Luce: The conclusion of the recent meeting of the preparatory committee for the non-proliferation treaty review conference was that the conference should now start on 27 August 1985 and that there should be three, instead of two, main committees for the performance of its functions.

Nuclear Tests

Mr. D. E. Thomas asked the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government towards the announcement by the Soviet ambassador to the United States of America, that his Government are prepared to implement a moratorium on Soviet nuclear tests on 6 August; and if he will make a statement.

Mr. Luce: The Soviet proposal calls for a moratorium on nuclear weapons testing by all states. Declaratory statements of this nature do nothing to resolve the outstanding problems of verification which continue to surround any agreement on nuclear testing constraints. These problems we believe to be as great in the case of a moratorium as in a comprehensive test ban. The Soviet announcement also appears to overlook the problem of peaceful nuclear explosions which must be covered by a comprehensive test ban. We continue to seek progress towards the latter at the Geneva conference on disarmament.

Pakistan

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government have had any recent discussions with Pakistan concerning that country rejoining the Commonwealth; and if he will make a statement.

Mr. Renton: The Pakistan Government have referred to this issue on a number of occasions. It is of course a matter for the Commonwealth as a whole to decide.

Embassies and High Commissions

Mrs. Renée Short asked the Secretary of State for Foreign and Commonwealth Affairs if he will give a breakdown year by year since 1979 of manpower levels in British embassies or high commissions in eastern Europe, western Europe, north America, south America and central America.

Mr. Renton: The information requested is not readily available but is being compiled. I will write to the hon. Member.

Consulate-General (Stuttgart)

Mrs. Renée Short asked the Secretary of State for Foreign and Commonwealth Affairs why he decided to close the British consulate-general in Stuttgart.

Mr. Renton: Only modest use was being made by British exporters of the general export promotion services provided by the consulate-general and it was decided in 1983 that, following the pattern established in France and Switzerland, documentary consular work in the Federal Republic of Germany should be centralised in Dusseldorf. A marketing office has, however, been established in Stuttgart to assist in identifying opportunities for British exporters in the high technology field. An honorary consul-general has also been appointed.

NORTHERN IRELAND

Less Favoured Areas Boundaries

Mr. John David Taylor asked the Secretary of State for Northern Ireland what was the total number of appeals against the proposed less favoured areas boundaries received by 1 April.

Dr. Boyson [*pursuant to his reply*, 7 May 1985, c. *346*]: A total of 320 representations have been received by the Northern Ireland less favoured areas independent panel against exclusion from the 28 February 1984 redefinition of the less favoured areas.

Castlereagh (Grant Aid)

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he has approved the submission to the European Economic Community of an application by Castlereagh borough council for a loan towards the cost of the Robinson leisure centre.

Dr. Boyson [*pursuant to his reply*, 7 May 1985, c. *347*]: No such application has been received.

Medical Cards

Mr. Beggs asked the Secretary of State for Northern Ireland how many applications for new medical cards were received by the Northern Ireland Central Services Agency for Health and Social Services in the current year during January, February, March, April and including those received at the Belfast office on Friday 3 May.

Mr. Scott [*pursuant to his reply*, 7 May 1985, c. *348*]: The Central Services Agency does not normally maintain records of the number of applications for new medical cards. However, approximately 25,000 such applications were received between 29 April and 6 May 1985.

Mr. Beggs asked the Secretary of State for Northern Ireland how many new medical cards have been issued during 1985 altogether to date to Northern Ireland applicants.

Mr. Scott [*pursuant to his reply*, 7 May 1985, c. *348*]: Information on the number of medical cards issued is not normally maintained. The number of cards issued up to 7 May by the Northern Ireland Central Services Agency for the Health and Social Services, since detailed figures began to be kept on 29 April, was 23,500.

HOUSE OF COMMONS

Departmental Committees of Inquiry

Mr. Eggar asked the Lord Privy Seal how many departmental committees of inquiry the Chancellor of the

Duchy of Lancaster and his predecessors have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Biffen: No such committees have been set up in the Duchy office.

Mr. Eggar asked the Lord Privy Seal how many departmental committees of inquiry the Lord President of the Council and his predecessors have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Biffen: One departmental committee of inquiry was set up by Lord Hailsham of St. Marylebone during his time as Lord President of the Council. It was commissioned on 20 December 1961 to consider and advise on the extent of the participation of Her Majesty's Government in research and radio astronomy under the chairmanship of Lord Fleck and reported in April 1965.

Written Answers

Mr. Pawsey asked the Lord Privy Seal why, pursuant to the answer by the Chief Secretary to the Treasury to the hon. Member for Rugby and Kenilworth on 26 April, *Official Report*, columns *571-2*, about the percentage of gross domestic product disbursed by the public sector since 1970, the information was not published in the *Official Report* in the form of a graph.

Mr. Biffen: The Hansard Press does not have the facilities to reproduce graphs. There are a number of technical difficulties which it would be costly to surmount.

EMPLOYMENT

Youth Training Scheme

Mr. Baldry asked the Secretary of State for Employment what assessment the Manpower Services Commission has made of the extra cost of having a trainee allowance of £55 per week on the youth training scheme and the impact such cost would have on the money available for training.

Mr. Peter Morrison: No such assessment has been made by the Manpower Services Commission, but, if the number of entrants and their duration on the youth training scheme remained at their planned levels, the cost of increasing the trainee allowance to £55 per week would be around £430 million in 1985-86. This would result in more than the whole of the £780 million set aside for the scheme in 1985-86 being required for the allowance, with no funds at all being available to meet other training costs. Clearly, the scheme could not possibly be operated on such a basis. Were the allowance to be increased to £55, the only way that the scheme could continue to provide training of the present kind and quality within existing funding would be by greatly reducing the number of youngsters on the scheme.

Mr. Sheerman asked the Secretary of State for Employment if he will give, from the survey of youth training scheme providers reported to the last meeting of the Manpower Services Commission's youth training board, the number and proportion of trainees on mode A, mode B1 and mode B2 schemes, respectively, who will spend fewer than 13 weeks off-the-job training.

Mr. Peter Morrison [*pursuant to his reply*, 28 March 1985, c. *144*]: The survey of youth training scheme providers, which covered 49,764 trainees (38,756 on mode A, 7,599 on mode B1 and 3,409 on mode B2) shows the minimum length of off-the-job training offered by schemes in the 1983-84 year. In modes A and B2 the proportion of trainees on schemes offering a minimum of less than 13 weeks off-the-job training was 2 per cent., which is not considered statistically significant. The survey shows that mode A schemes were offering on average a minimum of 15 weeks off-the-job training and 19 weeks on average for mode B2 schemes. For mode B1 the survey indicated that 7 per cent. of the trainees covered were on schemes which offered a minimum of less than 13 weeks off-the-job training though, on average, mode B1 schemes were offering a minimum of 15 weeks off-the-job training.

Mr. Sheerman asked the Secretary of State for Employment if he will give, from the survey of youth training scheme leavers reported to the last meeting of the youth training board, the number and proportion of mode A, mode B1 and mode B2 work experience placements provided in each of the industrial categories used in the survey, and in each of the occupational training families.

Mr. Peter Morrison [*pursuant to his reply*, 28 March 1985, c. *144*]: Information is not available in the precise form requested. The youth training scheme providers survey did not collect information on the number and proportion of work experience places by occupational training families, nor did it cover work placements provided in mode B1.

The survey covered 28,586 mode A and 2,032 mode B2 work placements and the table shows the industrial distribution of these placements by standard industrial classification.

Industrial distribution of work experience placements 1983-84

Industry (SIC 1980)	*Mode A† per cent.*	*Mode B2† per cent.*
0 Agriculture, forestry, fishing	2	*0
1 Energy and water	*0	—
2 Extractions; manufacture of metals, minerals, chemicals	4	1
3 Metal goods, engineering, vehicles	12	17
4 Other manufacturing	6	13
5 Construction	4	9
6 Distribution, hotel and catering, repairs	41	37
7 Transport and communication	1	3
8 Banking, finance, insurance, business services	6	2
9 Other services	22	17
Not stated	3	*0

* Less than 0·5 per cent. but more than 0·0 per cent.

† The column totals do not add up to exactly 100 per cent. due to rounding.

Mr. Sheerman asked the Secretary of State for Employment if he will give, from the survey of youth training scheme providers reported to the last meeting of the Manpower Services Commission's youth training board *(a)* the number and proportion of mode A managing agents who require prospective trainees to have one or

more O-levels and *(b)* the number and proportion of mode B1 and mode B2 sponsors, respectively, who require prospective trainees to have one or more O-levels.

Mr. Peter Morrison [*pursuant to his reply*, 28 March 1985, c. *144*]: The youth training scheme providers survey covered a sample of 464 managing agents and sponsors (236 mode A schemes, 148 mode B1 schemes and 80 mode B2 schemes). The proportions of these schemes requiring some or all of their trainees to have one or more O-levels are:

	Percentage
Mode A	15
Mode B1	2
Mode B2	3

Mr. Sheerman asked the Secretary of State for Employment if he will give, from the survey of youth training scheme providers reported to the last meeting of the Manpower Services Commission's youth training board, the number and proportion of mode A managing agents who deploy, per 100 trainees *(a)* fewer than three *(b)* from three to five, *(c)* from six to eight, *(d)* from nine to 11, *(e)* from 12 to 14 and *(f)* more than 14 full-time equivalent staff in managing, administering, and providing off-the-job training for their scheme.

Mr. Peter Morrison [*pursuant to his reply*, 28 March 1985, c. *144*]: The information requested from the youth training scheme providers survey, which covered a representative sample of 236 mode A managing agents, is as follows. The ratio of staff to trainees is very largely dependent on the extent to which a managing agent subcontracts off-the-job training to other providers.

*Number of full-time equivalent staff per 100 trainees**	*Percentage of managing agents*
Fewer than 3	9
3-5	19
6-8	20
9-11	11
12-14	10
More than 14	30
Not answered	1

* Refers to filled places in March 1984.

Nuclear Installations Inspectorate

Mr. Proctor asked the Secretary of State for Employment what is his estimate of the cost of dispersal of Her Majesty's Nuclear Installations Inspectorate to Bootle; and if he will make a statement.

Mr. Peter Bottomley: It is not possible to estimate the total costs of the dispersal of Health and Safety Executive staff to Merseyside, nor to separate the dispersal costs of the Nuclear Installations Inspectorate from those for the other parts of the Health and Safety Executive which are being dispersed.

Mr. Proctor asked the Secretary of State for Employment if he will list the reasons for the dispersal of Her Majesty's Nuclear Installations Inspectorate to Bootle; and if he will make a statement.

Mr. Peter Bottomley: The Government decided in 1979 that as part of a broader dispersal programme the majority of the Health and Safety Executive's London based headquarters staff should disperse to Merseyside. A policy branch is being established in the Nuclear Installations Inspectorate and this will remain in London when the rest of the inspectorate goes to Merseyside.

Mr. Proctor asked the Secretary of State for Employment what is the current establishment of Her Majesty's Nuclear Installations Inspectorate and how this compares with the number of staff currently in post.

Mr. Peter Bottomley: The Nuclear Installations Inspectorate's current manpower plan provides for 102 inspectors and 51 support staff at 1 April 1985. There were then 102 inspectors and 54 support staff in post.

Mr. Proctor asked the Secretary of State for Employment what steps he has taken to satisfy himself that the current level of staff of Her Majesty's Nuclear Installations Inspectorate is adequate to enable it to discharge its functions.

Mr. Peter Bottomley: The Nuclear Installations Inspectorate is currently staffed to its planned level.

Mr. Proctor asked the Secretary of State for Employment if he will assess the likely effects of dispersal of Her Majesty's Nuclear Installations Inspectorate to Bootle on the assessment of the safety of power stations.

Mr. Peter Bottomley: The Health and Safety Commission attach the utmost importance to maintaining safety standards for nuclear power stations. The inspectorate's move to Bootle should not result in a fall in standards. The Health and Safety Executive is making every effort to minimise temporary disruption of work for those, including the Nuclear Installations Inspectorate, who are being dispersed.

Mr. Proctor asked the Secretary of State for Employment if he will list in the *Official Report* the number of visits by members of Her Majesty's Nuclear Installations Inspectorate to nuclear licensed sites in each of the past five years; and if he will make a statement.

Mr. Peter Bottomley: The number of separately identifiable visits is:

Year	*Number of visits*
1980	467
1981	509
1982	449
1983	491
1984	436

Labour Statistics

Mr. Hardy asked the Secretary of State for Employment what are the lastest available figures for the number of persons engaged in full-time employment and the number of persons who are unemployed or engaged in full-time job creation activity.

Mr. Alan Clark: The following information is in the Library. In December 1984, the lastest date for which information is available, there were an estimated 23,655,000 persons in the employed labour force in Great Britain. Included in this total were 4,282,000 female employees in employment who worked part-time. The number of part-time workers in the other components of

the employed labour force—that is, male employees in employment the self-employed and HM forces—is not available.

On 6 December 1984 the number of unemployed claimants in Great Britain was 3,100,005. The total number of people engaged full-time in job creation activity is estimated to have been about 319,000 at the end of December.

Mr. Foulkes asked the Secretary of State for Employment if he will list in the *Official Report* the details of each directive relevant to his Department from the EEC since 1979; and what action he has taken in each case.

Mr. Peter Bottomley [*pursuant to his reply*, 2 May 1985, c. *190*]: The information requested is set out in the table. It relates to directives adopted by the EC Council of Ministers since May 1979 and for the implementation of which my right hon. Friend has overall responsibility in Great Britain.

EC Number	*Title*	*Action*
79/622/EEC	Council Directive of 25 June 1979 on the approximation of the laws of the Member States relating to the roll-over protection structures of wheeled agricultural or forestry tractors (static testing).	The Agricultural or Forestry Tractors and Tractor Components (Type Approval) (Amendment) Regulations 1981 (SI 1981 No. 669) (made by Minister for Agriculture, Fisheries and Food, and Secretary of State for Scotland) and the Agriculture (Tractor Cabs) (Amendment) Regulations 1984 (SI 1984 No. 605).
79/831/EEC	Council Directive of 18 September 1979 amending for the sixth time Directive No. 67/548/EEC on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances.	The Notification of New Substances Regulations 1982 (SI 1982 No. 1496) and The Classification, Packaging and Labelling of Dangerous Substances Regulations 1984 (SI 1984 No. 1244)
80/720/EEC	Council Directive of 24 June 1980 on the approximation of the laws of the Member States relating to the operating space, access to the driving position and the doors and windows of wheeled agricultural or forestry tractors.	The Agricultural or Forestry Tractors and Tractor Components (Type Approval) (Amendment) Regulations 1981 (SI 1981 No. 669) (made by Minister for Agriculture, Fisheries and Food, and Secretary of State for Scotland).
80/781/EEC	Council Directive of 22 July 1980 amending Directive 73/173/EEC on the approximation of laws, regulations and administrative provisions of the Member States relating to the classification, packaging and labelling of dangerous preparations (solvents).	The Classification, Packaging and Labelling of Dangerous Substances Regulations 1984 (SI 1984 No. 1244).
80/836/Euratom	Council Directive of 15 July 1980 amending the Directives laying down the basic safety standards for the health protection of the general public and workers against the dangers of ionising radiation.	Proposals for ionising radiation regulations and approved code of practice set out in HSC consultative document in November 1982 will be completed shortly.
80/876/EEC	Council Directive of 15 July 1980 on the approximation of the laws of Member States relating to straight ammonium nitrate fertilizers of high nitrogen content.	The Fertilizers (Amendment) Regulations 1984 (SI 1984 No. 1592).
80/987/EEC	Council Directive of 20 October 1980 on the approximation of the laws of the Member States on the protection of employees in the event of the insolvency of their employers.	Sections 121-127 of the Employment Protection (Consolidation) Act 1978 as extended by the Insolvency of Employers (Excluded Classes) Regulations 1983 (SI 1983 No. 624).
80/1107/EEC	Council Directive of 27 November 1980 on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work.	Implemented by various provisions of (i) Health and Safety at Work etc. Act 1974 (ii) Safety Representatives and Safety Committees Regulations 1977 (iii) Employment (Consolidation) Act 1978 (iv) Control of Lead at Work Regulations 1980 (v) Asbestos (Licensing Regulations 1983
80/1189/EEC	Council Directive of 4 December 1980 providing for the technical adaptation, consequent upon the accession of the Hellenic Republic to the European Communities, of Directive 67/548/EEC on dangerous substances.	The Classification, Packaging and Labelling of Dangerous Substances Regulations 1984 (SI 1984 No. 1244).
80/1271/EEC	Council Directive of 22 December 1980 providing for the adaptation, consequent upon the accession of the Hellenic Republic to the European Communities, of Council Directive 73/173/EEC on the approximation of Member States' laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous preparations (solvents).	The Classification, Packaging and Labelling of Dangerous Substances Regulations 1984 (SI 1984 No. 1244).
81/187/EEC	Council Directive of 26 March 1981 amending Directive 78/631/EEC on the approximation of laws of the Member States relating to the classification, packaging and labelling of dangerous preparations (pesticides).	No action necessary. The Directive postpones the implementation date of Directive 78/631/EEC.

EC Number	Title	Action
81/1051/EEC	Council Directive of 7 December 1981 amending Directive 79/113/EEC on the approximation of the laws of the Member States relating to the determination of the noise emission of construction plant and equipment.	No action necessary. This Directive amends Directive (79/113/EEC) which lays down the means by which noise from construction plant and equipment is to be measured.
82/130/EEC	Council Directive of 15 February 1982 on the approximation of the laws of the Member States concerning electrical equipment for the use in potentially explosive atmospheres in mines susceptible to firedamp.	The Mines (Miscellaneous Amendments) Regulations 1983 (SI 1983 No. 1130).
82/501/EEC	Council Directive of 24 June 1982 on the major-accident hazards of certain industrial activities.	The Control of Industrial Accident Hazards Regulations 1984 (SI 1984 No. 1902).
82/605/EEC	Council Directive of 28 July 1982 on the protection of workers from the risks related to exposure to metallic lead and its ionic compounds at work (First individual Directive within the meaning of Article 8 of Directive 80/1107/EEC).	The amendment of the Control of Lead at Work Regulations 1980 and the revision of the HSC Approved Code of Practice and Guidance Note will be completed shortly.
83/265/EEC	Council Directive of 16 May 1983 amending Directive 77/729/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to the classification, packaging and labelling of paints, varnishes, printing inks, adhesives and similar products.	The Classification, Packaging and Labelling of Dangerous Substances Regulations 1984 (SI 1984 No. 1244)
83/477/EEC	Council Directive of 19 September 1983 on the protection of workers from the risks related to exposure to asbestos at work (second individual Directive within the meaning of Article 8 of Directive 80/1107/EEC).	HSC Consultative Document proposing regulations on the Control of Asbestos at Work published on 12 December 1984.
83/478/EEC	Council Directive of 19 September 1983 amending for the fifth time (asbestos) Directive 76/769/EEC on the approximation of laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations.	The draft Asbestos (Prohibitions) Regulations and the labelling requirements in the draft Control of Asbestos at Work Regulations will implement this Directive.
84/467/Euratom	Council Directive of 3 September 1984 amending Directive 80/836/Euratom as regards the basic safety standards for the health protection of the general public and workers against the dangers of ionising radiation.	Proposals for ionising regulations and approved code of practice set out in HSC Consultative Document of November 1982 will be completed shortly.
84/525/EEC	Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to seamless, steel gas cylinders.	HSC Consultative Document on draft Pressure Systems and Transportable Gas Containers Regulations published on 12 July 1984.
84/526/EEC	Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to seamless, unalloyed aluminium and aluminium alloy gas cylinders.	HSC Consultative Document on draft Pressure Systems and Transportable Gas Containers Regulations published on 12 July 1984.
84/527/EEC	Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to welded unalloyed steel gas cylinders.	HSC Consultative Document on draft Pressure Systems and Transportable Gas Containers Regulations published on 12 July 1984.
84/528/EEC	Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to common provisions for lifting and mechanical handling appliances.	All necessary action undertaken in relation to Directive 84/529/EEC.
84/529/EEC	Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to electrically-operated lifts.	Following consultation, the Department of Trade and Industry is arranging for test facilities and inspection body.
84/530/EEC	Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to common provisions for appliances using gaseous fuels, safety and control devices for these appliances and methods of surveillance of them.	Will be implemented by Safety Orders under The Energy Conservation Act 1981.
84/531/EEC	Council Directive of 17 September 1984 on the approximation of the laws of the Member States relating to appliances using gaseous fuels for instantaneous production of hot water for sanitary purposes.	Will be implemented by Safety Orders under The Energy Conservation Act 1981.

SCOTLAND

Broadleaved Woodland

39. **Mr. John Mark Taylor** asked the Secretary of State for Scotland if he will make a statement about policies for the conservation of broadleaved woodland.

Mr. John MacKay: The Forestry Commission is conducting a review of policies for broadleaved woodland. My right hon. Friend expects to make a statement to the House before the summer recess.

Mr. David Marshall asked the Secretary of State for Scotland if he will seek to ensure that agreement is reached between the Forestry Commission, the Nature Conservancy Council and the Countryside Commission over management guidelines for broadleaved woodlands before any statement is made to the House regarding changes in policies for broadleaved woodland.

Mr. John MacKay: My right hon. Friend intends to make a statement on a policy for broadleaved woodlands by the summer recess. The Forestry Commission's aim is to agree the main terms of management guidelines for such woodlands with the Nature Conservancy Council and the two countryside commissions before that statement is made.

Mr. Ron Davies asked the Secretary of State for Scotland, pursuant to his answer of 25 April 1985, *Official Report*, column 532, concerning broadleaved woodland licensed for clearfelling for conversion of the land to agriculture, if he will give the exact location of those woodlands so felled on Cwm Mosydd Farm, Gwent.

Mr. John MacKay [*pursuant to his reply*, 3 May 1985, c. *247*]: The grid reference is 203886 on Ordnance Survey sheet No. 171. The felling licence does not expire until 19 October 1986 and it is not known whether any felling has yet taken place.

Departmental Committees of Inquiry

Mr. Eggar asked the Secretary of State for Scotland how many departmental committees of inquiry he and his predecessors have established since 1955; and what were the subjects the committee investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Younger: It would not be possible without disproportionate cost to produce a definitive list of all the committees which beyond argument should be described as departmental committees of inquiry. The following lists are drawn from central records and show, first, committees of inquiry set up by myself and my predecessors acting alone and, second, those set up in conjunction with the Lord Advocate. Committees established jointly with other Secretaries of State are not shown.

Subject	*Date established*	*Chairman*	*Date reported*
Departmental Committees of Inquiry: Established by Secretary of State for Scotland acting alone			
Employment of Children in the Potato Harvest	23 September 1955	Sir Hugh Rose, Bt, TD	April 1956
Qualifications of Teachers in Schools holding the Teacher's Technical Certificate	29 March 1956	H. H. Donnelly	1956
Diligence	July 1956	Sheriff Hector McKechnie, QC, LLD	June 1958
Civil Jury Trial in Scotland	21 November 1957	The Hon. Lord Strachan	November 1959
Legal Aid in Civil Proceedings	19 December 1957	The Hon. Lord Guthrie	May 1960
Tenancy of Shops (Scotland) Act 1949	16 January 1958	I. H. Shearer, QC	July 1958
Local Contributions to the Scottish Universities	8 August 1958	The Hon. Lord Sorn, MC, LLD	January 1959
Scottish Licensing Law (First Report)	13 August 1959	The Hon. Lord Guest	November 1960
Scottish Licensing Law (Second Report)	13 August 1959	The Hon. Lord Guest	June 1963
Registration of Title to Land in Scotland	25 September 1959	The Rt. Hon. Lord Reid	July 1963
Children and Young Persons in Scotland	29 May 1961	The Hon. Lord Kilbrandon	April 1964
Arrangements for the Award and Withdrawal of Certificates of Competency to Teach	9 November 1961	Rt. Hon. Lord Wheatley	June 1963
Scottish Salmon and Trout Fisheries (First Report)	12 March 1962	The Hon. Lord Hunter	July 1963
Scottish Salmon and Trout Fisheries (Second Report)	12 March 1962	The Hon. Lord Hunter	August 1965
Generation and Distribution of Electricity in Scotland	7 September 1962	C. H. MacKenzie	November 1962
The Sheriff Court	8 August 1963	Rt. Hon. Lord Grant, TD	July 1967
Crime Recording, Scottish Criminal Statistics	5 November 1963	Lord Thomson, QC	August 1968
Aberdeen Typhoid Outbreak	29 June 1964	Sir David Milne, GCB	December 1984
Conveyancing Legislation and Practice	16 June 1964	Professor J. M. Halliday, MA, LLB	December 1966
General Medical Services in the Highlands and Islands	1964	The Hon. Lord Birsay, CBE, DL, LLD, FEIS	June 1967
Measures to Secure of More Equitable Distribution of Teachers in Scotland	11 February 1965	Dame Jean Roberts, DBE	1966
Regulation of Scottish Inshore Fisheries	8 December 1967	The Lord Cameron, DSC, DL, LDD, FRSE, HRSA, QC	December 1970
Marriage Law of Scotland	9 May 1967	The Hon. Lord Kilbrandon, LLD	May 1969
Moral and Religious Education in Scottish Schools	1968	Professor W. Malcolm Millar, CBE	1972
Commercial Rating	August 1968	Professor D. S. Anderson, MA, CA	July 1970
Training of Staff for Centres for the Mentally Handicapped	1969	Charles Melville, MA, MEd	1973
Adult Education	May 1970	Professor K. J. W. Alexander	1975
Secondary Education of Physically Handicapped Children in Scotland	October 1970	Councillor P. T. McCann, JP, BL	1975
Scottish Licensing Law	2 April 1971	Dr. Christopher Clayson	August 1973
Future of the Dundee Institute of Art and Technology	August 1972	Sir Charles H. Wilson, MA, LLD, DLitt, DCL	1973
Truancy and Indiscipline in Schools	July 1974	Professor D. C. Park	30 May 1977

Subject	Date established	Chairman	Date reported
Consideration given and Steps taken towards securing the welfare of Richard Clark by Perth Town Council and other Bodies or Persons concerned	16 August 1974	C. E. Jauncey, QC	1975
Assessment in the Third and Fourth Years of Secondary Education in Scotland	November 1974	J. Dunning	1973
A Heritage for Scotland	February 1979	Dr. Alwyn Williams, DSc, FRS, FRSE	1981
Local Government in Scotland	December 1979	Rt. Hon. A. Stodart	January 1981
Arrangement for the Administration of Sheriffdoms	May 1981	The Hon. Lord Grieve, VRD	June 1982
Functions and Powers of the Islands Councils of Scotland	Spring 1982	Sir David Montgomery, Bt	April 1984
Bonnybridge/Denny Morbidity Review	June 1984	Professor J. H. M. Lenihan	February 1985
Departmental Committees of Inquiry Established by Secretary of State for Scotland and Lord Advocate acting jointly			
Criminal Appeals in Scotland (First Report)	22 January 1970	The Hon. Lord Thomson	August 1972
Criminal Procedure in Scotland (Second Report)	22 January 1970	The Hon. Lord Thomson	October 1975
Criminal Appeals in Scotland (Third Report)	22 January 1970	The Hon. Lord Thomson	December 1977
Penalties for Homicide	18 November 1970	Rt. Hon. Lord Emslie	November 1972
Reparation by the Offender to the Victim in Scotland	8 February 1974	The Hon. Lord Dunpark	July 1977
Motorist and Fixed Penalties (First Report by Committee on Alternatives to Prosecution)	5 July 1977	The Hon. Lord Stewart, MC	December 1980
Keeping Offenders out of Court (Second Report by Committee on Alternatives to Prosecution)	5 July 1977	The Hon. Lord Stewart, MC	6 July 1983

Forestry

Mr. David Marshall: asked the Secretary of Scotland what were the tree species used and proportions of those species planted by the Forestry Commission in its restocking programme in the periods 1961 to 1970, 1971 to 1980 and 1981 to 1985.

Mr. John MacKay: The main species used in the Commission's restocking programmes in these periods in these periods were Sitka spruce, larches, Douglas fir and Corsican pine on coniferous sites, and oak, beech, birch, ash and sycamore on broadleaved woodland. A further breakdown is not available in the form requested as detailed records on restocking were not kept prior to 1974-75, and information for the year ended 31 March 1985 is not yet to hand. Details of the species used in the years ended 31 March 1975 to 31 March 1984 were provided in my reply of 16 April, in column 97, to a question from the hon. Member of East Lothian, (Mr. Home Robertson).

Mr. David Marshall: asked the Secretary of Scotland what was the Foresty Commission's forestry enterprise expenditure for each of the last five years on *(a)* recreation and amenity, *(b)* wildlife conservation and *(c)* landscape conservation.

Mr. John MacKay: The Forestry Commission's gross expenditure on these items, including oncost and overheads, was as follows:

Year ended 31 March	Recreation and Amenity £	Wildlife Conservation £	Landscape Conservation £
1980	3,013,000	459,000	581,000
1981	2,805,000	423,000	775,000
1982	3,022,000	550,000	627,000
1983	3,122,000	605,000	731,000
1984	3,614,000	559,000	867,000

Mr. David Marshall: asked the Secretary of Scotland if he will list the *Official Report* the number of sites, their names and their sizes, which comprise the 444 hectares of land estimated to be planted without grant-aid in 1983-84 given in the Forestry Commission's 64th annual report.

Mr. John MacKay: This figure is made up from a large number of local estimates of small areas of plantings, and I regret that it is not possible to produce a comprehensive list.

Mr. David Marshall: asked the Secretary of Scotland what action he will take to ensure that there is no repetition of the recent case at Crichness Farm in East Lothian where private afforestation was carried out despite refusal of grant-aid on landscape and agricultural grounds.

Mr. John MacKay: The planting at Crichness took place while a grant application was still under consideration by the Forestry Commission in consultation with other authorities. Although it is possible that the planting of the area concerned would eventually have been approved for grant aid, the Forestry Commission takes a serious view, which my right hon. Friend shares of the applicant's failure to await the outcome of the consultation exercise. Nevertheless, this is the first significant case of its type since the present procedures were introduced in October 1974, and my right hon. Friend does not propose to take any action at this stage. The Forestry Commission has had discussions with Timber Growers UK aimed at ensuring that the consultation procedures continue to operate effectively.

Mr. David Marshall asked the Secretary of State for Scotland if he will list in the *Official Report* the cases in the last 10 years when afforestation has taken place on sites where forestry grants have been refused by the Forestry Commission.

Mr. John MacKay: I am not aware of any such cases.

Mr. David Marshall asked the Secretary of State for Scotland if he will ask the Forestry Commission to publish guidelines to assist the private sector in introducing good management practice for new afforestation schemes, taking into account wildlife and landscape conservation; and if he will make a statement.

Mr. John MacKay: The Forestry Commission has published a number of guides to good forestry practice. A complete list of these is available to private woodland owners from Her Majesty's Stationery Office (Sectional List No. 31).

Timber Growers UK is preparing a code of practice for private growers in consultation with the Forestry

Commission, the two Countryside Commissions, the Nature Conservancy Council and a number of other interested Government and non-Government bodies.

Mr. David Marshall asked the Secretary of State for Scotland what consultations there are between the Forestry Commission and the regional water authorities in England and Wales and the river purification boards in Scotland, over proposals for new upland afforestation either by the Forestry Commission or by private forestry operations.

Mr. John MacKay: As far as its own operations are concerned, the Forestry Commission has informal arrangements for consulting water authorities over proposed afforestation schemes within the immediate catchments of reservoirs.

In considering applications by private owners for grant aid for planting, the commission consults the Welsh water authority on all schemes in areas in which the authority has asked that this be done. In other parts of Wales and in England, the commission looks to the local authorities to take account of the water interest when considering private planting proposals, as part of their general planning overview.

The river purification boards in Scotland are not consulted directly by the commission either in respect of its own or private planting proposals.

Mr. David Marshall asked the Secretary of State for Scotland if he will list in the *Official Report* the names, locations and areas of forest sprayed with the insecticide fenitrothion in each of the years 1978 to 1984, indicating which areas were sprayed more than once in this period, and indicating whether any of these areas are within the Forestry Commission's recently announced proposals for fenitrothion spraying in 1985.

Mr. John MacKay: The forest areas sprayed with the insecticide fenitrothion in the years 1978 to 1984 are as follows:

Year	*Region*	*Forest*	*Block*	*Area (hectares)*
1978	Highland	Naver	Rimsdale	640
			Strathy	240
			Achruggan	590
			Truderscaig	770
			Rossal	680
			Syre	420
			Creag Dhu, Chicken Dhu and Barren Ridge	140
		Helmsdale	Auchentoul	150
			Badenloch	100
			Suisgill	410
		Shin	Fiag	140
		Rumster	Watten	30
		Private Woodlands	Borrobol	140
			Auchentoul	250
1979	Highland	Naver	Strathy	236
		Shin	North Dalchork	552
			Caplich	107
			Inveroykel	371
		Torrachilty	Garbat and Strathrannoch	996
	Grampian	Craigellachie	Elchies	770
	Dumfries and Galloway	Bareagle	Annabaglish	220
1980	Highland	Naver	Truderscaig	166
			Rossal	125
			Syre	420
			Chicken Dhu and Barren Ridge	78
			Mudale	20
			Poles	102
			Garvel	20
			Grumbeg	20
			Cnoc Dubh	13
	Dumfries and Galloway	Bareagle	Annabaglish	220
			North Annabaglish	37
1981	Highland	Helmsdale	Badenloch	66
1982		No Spraying took place		
1983	Borders	Private Woodland	Myredykes	340
	Grampian	Craigellachie	Elchies	142
1984	Grampian	Craigellachie	Elchies	142 For experimental purposes only

The areas of Strathy, Truderscaig, Rossal, Syre Chicken Dhu and Barren Ridge in Naver Forest, Annabaglish in Bareagle Forest, Badenloch in Helmsdale Forest and Elchies in Craigellachie Forest were sprayed in more than one year.

The 1985 programme of spraying will not be finally drawn up until assessments of the numbers of eggs of pine beauty moth are carried out in May, but it is likely to include the previously sprayed areas of Truderscaig, Rossal and Cnoc Dubh in Naver Forest, Watten in Rumster Forest, North Dalchork and Inveroykel in Shin Forest and Garbat and Strathrannoch in Torrachilty Forest.

Mr. David Marshall asked the Secretary of State for Scotland what was the total staff complement of the Forestry Commission in the years 1961, 1971, 1981 and 1984, respectively.

Mr. John MacKay: The figures were as follows:

Year	*Number of Staff in Post*
1961	14,581
1971	9,515
1981	7,952
1984	6,836

Mr. David Marshall asked the Secretary of State for Scotland what proposals the Forestry Commission has for the revision of the native pinewood grant scheme in the light of the changes proposed for broadleaved woodland grants under the "Broadleaves in Britain Review".

Mr. John MacKay: The Forestry Commission has no plans to revise the grant arrangements for native pinewoods in the context of the present review of broadleaves policy. It does, however, intend to review the provisions for native pinewood grants, in conjunction with the Nature Conservancy Council, once the broadleaves review has been completed.

Mr. David Marshall asked the Secretary of State for Scotland what was the estimated number of people employed directly in forestry operations by the private sector forestry companies in the years 1961, 1971, 1981 and 1984.

Mr. John MacKay: The information is not available in the form requested. Estimates of the numbers employed on forestry operations in private forests as a whole, including employees of the forestry companies, are as follows:

	Number
1961	9,400
1971	9,300
1981	8,000
1983	8,000

Estimates for 1984 are not yet available.

Mr. David Marshall asked the Secretary of State for Scotland how many dwellings were owned by the Forestry Commission in 1981 and 1984; and how many of these were *(a)* occupied by Forestry Commission employees, *(b)* occupied by other tenants and *(c)* unoccupied in each year.

Mr. John MacKay: The best available information is as follows:

	As at 31 March 1981	*As at 31 March 1984*
(i) Total number of houses managed by the Forestry Commission (categories (ii) and (iii) below	3,909	2,891
(ii) Number of Foresters' and Forest Workers' houses	2,320	1,597
(iii) Other houses	1,589	1,294
(iv) Total number of unoccupied houses (mainly awaiting sale)	279	260

Because of the turnover in tenancies and the large number of sales that have taken place, it is not possible, except at disproportionate cost, to split the total number of unoccupied houses between categories (ii) and (iii) in order to obtain the precise numbers of houses occupied in each of these categories on 31 March in each year.

Forestry Commission

Mr. Ron Davies asked the Secretary of State for Scotland if he is satisfied that the membership of the Forestry Commission's new regional advisory committees adequately represents the degree of environmental interest in forestry matters.

Mr. John MacKay: There is a place on each regional advisory committee allocated to a member representing the environmental interest. It is difficult, because of statutory constraints on numbers and membership, to extend the environmental representation at this stage. However, as announced on 31 January 1985 by my hon. Friend the Parliamentary Under-Secretary of State for the Environment, in his response to the Countryside Commission's report "A Better Future for the Uplands", in columns 282-90, the Forestry Commission is looking at ways of achieving greater public accountability for the regional advisory committees. This might go some way towards compensating for the present constraints on the committees' membership.

Mr. Wallace asked the Secretary of State for Scotland if he will make a statement on the progress of the Forestry Commission's examination into ways of achieving greater public accountability in its regional advisory committees as announced in the Government's response to the Countryside Commission's report on the uplands.

Mr. MacKay: The Forestry Commission's consideration of this matter is still at an early stage and my right hon. Friend is not yet in a position to make a statement.

SOCIAL SERVICES

NHS (Surplus Land)

Mr. Batiste asked the Secretary of State for Social Services what guidance he issues to health authorities as to the extent to which in releasing land no longer required by the National Health Service they should give priority to other medically related uses for such land.

Mr. Kenneth Clarke: The guiding principle of NHS land sales is that health authorities should seek to realise the full market price in order that this may be re-used to the maximum benefit of the service and its patients. We have recently terminated an arrangement whereby local authorities and certain other organisations providing services complementary to those of the National Health Service were given a prior opportunity to purchase at the

district valuer's valuation. This tended to cause delay and in many cases led to health authorities receiving less than would have been obtained through the open market. The National Health Service should not forego capital receipts which can be used for extra capital investment in the service.

Arrangements under which NHS property may be leased on concessionary terms to certain bodies providing complementary health oriented services remain in force.

Liverpool Women's Hospital

Mr. Parry asked the Secretary of State for Social Services, what is the waiting list at the women's hospital, Liverpool, at the latest available date.

Mr. John Patten: The latest information held centrally is contained in my reply to the hon. Member on 2 May at column *235*.

Diabetics (Syringes)

Mr. Cyril Smith asked the Secretary of State for Social Services what is the rate of supply per patient per annum of U100, or similar, glass syringes for *(a)* child diabetics and *(b)* adult diabetics.

Mr. Kenneth Clarke: We only have figures of the total number of syringes dispensed on GPs' prescriptions. Some patients purchase their syringes privately and others have them supplied through the hospital service.

	1981	*1982*	*1983*
Number of Syringes dispensed on GPs' prescriptions	85,400	85,100	96,900
Estimated number of insulin dependent diabetics*	234,100	233,970	234,230

* Based on the advice that 0·5 per cent. of the population are insulin dependent diabetics.

Fraud (Investigation)

Mr. Ashdown asked the Secretary of State for Social Services, pursuant to his reply of 23 April, *Official Report*, column *419*, if he will estimate the approximate proportion of the 261,302 investigations by staff of his Department, in the period 9 May 1984 to 12 March 1985, into cases of actual or suspected fraud by social security claimants that have led to, or are likely to lead to, prosecutions for serious offences; and if he will make a statement.

Mr. Whitney: Figures relating to those particular investigations are not available but in the year ended 12 February 1985, prosecution was authorised by the Department in 6,945 cases. In addition, 4,038 prosecutions were brought by the police for social security offences — following initial investigations by the Department.

Mr. Ashdown asked the Secretary of State for Social Services, pursuant to the reply of 23 April, *Official Report*, column *419*, if he will publish a list showing the numbers and grades of staff of his Department working, in the period 9 May 1984 to 12 March 1985, on the 261,302 investigations into cases of actual or suspected fraud by social security claimants; and if he will name and describe the administrative units in which these staff were working.

Mr. Whitney: During the period in question, 1,813 man years were used on the investigation of benefit fraud. The staff are all located in local offices and are in grades ranging from clerical assistant to higher executive officer, inclusive, the majority being at executive officer level.

Pharmacists

Mr. Leighton asked the Secretary of State for Social Services what information he has as to salaries paid to newly qualified pharmacists who have taken a three-year degree course followed by one year's practical training, in retail and industrial pharmacy.

Mr. Kenneth Clarke: Our Department has no involvement in or responsibility for private contracts of employment. We therefore have no information on salaries paid to retail and industrial pharmacists.

Mr. Leighton asked the Secretary of State for Social Services how many vacant posts there are for basic grade pharmacists in the North-East Thames regional health authority; what percentage this represents of the total of such authorised posts; and what is the percentage of such vacant posts in all other regional health authorities.

Mr. Kenneth Clarke: We do not collect this local information centrally.

Mr. Leighton asked the Secretary of State for Social Services what is the salary in the National Health Services of a newly qualified pharmacist, who has taken a three-year degree course, followed by one year's practical training.

Mr. Kenneth Clarke: The starting salary of a basic grade hospital pharmacist is £6,699 per annum exclusive of London weighting.

Health Authorities (Resources)

Sir Peter Mills asked the Secretary of State for Social Services what proportion of the new cash available to the South-West regional health authority the North Devon health authority will obtain.

Mr. John Patten: Allocations to this district health authority are the responsibility of the South Western regional health authority. I suggest that my hon. Friend contacts the chairman of the RHA for this information.

Sir Peter Mills asked the Secretary of State for Social Services what extra health staff the North Devon health authority will have in 1985.

Mr. John Patten: We do not hold this information centrally. I suggest that my hon. Friend contacts the chairman of the authority for the details he requires.

Kidney Patients (North Devon)

Sir Peter Mills asked the Secretary of State for Social Services (1) of the extra funds available in the south-west region for kidney patients, how much is available for North Devon health authority;

(2) in view of the extra money available for kidney patients, he will set up a kidney treatment centre for north Devon at Barnstaple hospital.

Mr. John Patten: Renal services in the south-western region are funded as a regional specialty, so it is for the

regional health authority, in discussion with the relevant district health authorities, to decide where the facilities for the treatment of end stage renal failure should be provided. In 1984-85, £65,000 was allocated to the south-western region on a recurring basis for new initiatives in renal service provision. It is for the regional health authority to decide how and where these additional funds should be spent.

Inherited Diseases (Research)

Mr. Dalyell asked the Secretary of State for Social Services what research has been conducted by his Department into the possible effects of the implementation of the Unborn Children (Protection) Bill on future methods of reducing the incidence of the following inherited diseases; muscular dystrophy, haemophilia, thaussaemia, cystic fibrosis, Huntington's chorea, fragile X mental retardation, phenylketonuria, and Down's syndrome.

Mr. Kenneth Clarke: I refer the hon. Member to the reply my hon. Friend the Parliamentary Under-Secretary of State for Education and Science gave him on 3 April, at column *617*.

Board and Lodging

Mr. Pike asked the Secretary of State for Social Services what is the effect of the changes in board and lodging allowances on the work of social services departments.

Mr. Whitney: We do not expect the changes in board and lodging allowances to have a significant effect on the work of social services departments, whose statutory duties and responsibilities remain unchanged.

Terminally Ill Persons

Mr. Alfred Morris asked the Secretary of State for Social Services which health authorities offer specialised care for the terminally ill *(a)* in hospices and *(b)* through community support teams; and if any action is being taken to increase the availability of such specialised care.

Mr. John Patten: This information is not collected centrally. We expect all district health authorities to ensure that appropriate care is provided for the terminally ill, whether directly or in collaboration with the voluntary sector.

"Living Options"

Mr. Alfred Morris asked the Secretary of State for Social Services if he has considered the "Living Options" report from the Prince of Wales's advisory group on disability; if there is any action his Department will be taking in the light of the recommendations; and if he will make a statement.

Mr. Newton: The report was in fact discussed with the Department before publication. The guidelines it contains should prove helpful to those planning services for people with severe physical disabilities and officials will continue to keep in touch with the group.

Disabled People (Discrimination)

Mr. Alfred Morris asked the Secretary of State for Social Services if he intends to introduce legislation to outlaw the kinds of unjustified discrimination documented in the paper by the Spastics Society on "Discrimination and Disabled People", a copy of which has been sent to him; and if he will make a statement.

Mr. Newton: We have no plans for such legislation. The Spastics Society paper is, however, welcome as a constructive contribution to discussion. It recognises some of the difficulties of framing such legislation, for example, how to define discrimination and how to deal with the issue of positive discrimination in favour of disabled people.

Mr. Alfred Morris asked the Secretary of State for Social Services how many cases of alleged discrimination against disabled people have been referred to his Department in the last year; which of these cases reveal evidence of unjustified discrimination; and if he will make a statement.

Mr. Newton: Since the beginning of May 1984 four cases of alleged discrimination against disabled people have been referred to the Department for investigation. Two were concerned with employment, one with education, and one with an access matter. Two cases are still under consideration. A third, involving an access complaint in Wales, was referred to my right hon. Friend the Secretary of State for Wales. In the fourth my judgment is that the evidence available does not substantiate a charge of unjustified discrimination.

Fluoridation

Mr. Best asked the Secretary of State for Social Services (1) why chemicals added to the public water supply for the purpose of enhancing the level of fluoride ion have not been regarded as medicinal products; what they are regarded as; and if he will make a statement;

(2) if he will refer to the Committee on Safety of Medicines the question as to whether an order should be made applying the provisions of the Medicines Act to chemicals added to the public water supply for the purpose of enhancing the level of fluoride ion; and if he will make a statement.

Mr. John Patten: Compounds of fluorine when added to the water supplies would be medicinal products within the meaning of the Medicines Act 1968 only if the water itself was administered to the consumer wholly or mainly for a medicinal purpose.

The safety of fluoride as used in the fluoridation schemes operated in this country has been confirmed by a number of expert bodies and the schemes are monitored by water authorities in accordance with the guidelines of the standing technical advisory committee on water quality on fluoridation of water supplies. No useful purpose would therefore be served by seeking the advice of the Committee on Safety of Medicines as to whether to bring the compounds of fluorine concerned within the scope of the Medicines Act.

Cyclosporin

Mr. Carter-Jones asked the Secretary of State for Social Services if he will estimate the costs per annum to the National Health Service of purchasing cyclosporin; if he will detail the current uses of this drug in the National Health Service; and if he will make a statement.

Mr. Kenneth Clarke: We do not usually give details of the sales of any drug as this information is regarded as confidential because of its commercial value. The current uses of cyclosporin include prevention of graft rejection following bone marrow, kidney, liver, pancreas, heart and heart-lung transplantation and prophylaxis of graft-versus-host disease.

Health Services Privatisation (Salford)

Mr. Orme asked the Secretary of State for Social Services what representations he has received from the Salford district health authority about the effect of privatisation on the health authority's under-funding; and if he will make it his policy not to pressure one authority to privatise its support services.

Mr. Kenneth Clarke: We expect all health authorities to carry out fully our policy of putting out to competitive tender their domestic, catering and laundry services. The work will then be done by whoever can provide the high standard of service required most economically, whether it is the in-house service or a contractor. In many authorities this is already achieving worthwhile savings which are retained by the health authorities to improve their services to patients. Salford health authority is not under-funded, but I have no doubt it could find worthwhile ways of spending savings from its support services on improvements in patient care.

AGRICULTURE, FISHERIES AND FOOD

Tomatoes

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the scale of production aid for tomato products in 1973 and in each of the past five years under the Common Agricultural Policy, the amount of the surpluses produced, and the cost to the European Economic Community budget of the production and disposal of tomatoes and tomato products.

Mrs. Fenner: There were no EEC production aids for tomato products in 1973. The varying rates of aid which apply from 1980-81 are complex. Details will be found in the following volumes of the Official Journal of the European Communities which are in the Library of the House: L135 of 31 May 1980 (Regulation 1345/80); L192 of 15 July 1981 (Regulation 1963/81); L178 of 22 June 1982 (Regulation 1585/82); L159 of 17 June 1983 (Regulation 1618/83) and L179 of 6 July 1984 (Regulation 1925/84).

There has been no surplus of tomato products stored at Community expense. The cost to the Community budget of the production aid for tomato products was 418·5 mecu in 1982, 469·2 mecu in 1983 and 556·0 mecu in 1984. Separate figures for 1980 and 1981 are not available and tomato products cannot be separately identified within the costs of export refunds for processed fruit and vegetables.

The following two tables set out the information requested in respect of fresh tomatoes.

Compensation for Withdrawals

	(MECU)
1973-74	1·58
1979-80	13·46
1980-81	6·39
1981-82	4·65
1982-83	5·03
1983-84	2·63

Export Refunds

1979-80	0·72
1980-81	0·58
1981-82	1·44
1982-83	1·86
1983-84	*

* Separate figure for tomatoes not available.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what are the quotas for the production of tomato products for the three years starting in 1985-86; how these compare with production in 1973 and in each of the past five years; whether any compensation is being paid to producers for the cut in production; and what is the saving to the European Economic Community budget.

Mrs. Fenner: The proposals for support for tomato products in 1985-86 are still under discussion in the Council. The Commission's proposals to the Council have been summarised and explained in a memorandum (No. 4582/85) deposited in the Library of the House.

Surpluses

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for 1973 and each of the past five years the quantity of surpluses produced of each agricultural product under the common agricultural policy.

Mr. MacGregor: The information requested is published in the markets section of the Commission's annual reports on the agricultural situation in the Community which are available in the Library of the House.

Cereals

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what saving to the European Economic Community budget is represented by the proposed 3·6 per cent. reduction in cereal prices; and what will be the additional cost to the budget of the German proposals for cereals.

Mr. MacGregor: The Commission estimates 151 mecu would be saved in the 1985-86 marketing year if its proposals on cereal prices were adopted. German counter proposals have not been defined in sufficient detail to enable them to be accurately costed.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food if he will estimate the cost per tonne of growing wheat on a large wheat-growing owner-occupied farm in East Anglia in 1984 or 1983, excluding any notional rent for the land; and what part of the cost represents a charge for interest on capital.

Mr. MacGregor: The University of Cambridge has recently published its report on farming in the eastern counties of England 1983-84, to which the hon. Member may wish to refer.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what is the basis for the proposed increase in the cereals threshold from 21·5 million to 26 million tonnes.

Mr. MacGregor: The Commission's proposal is to add the durum wheat guarantee threshold (4·6 million tonnes) to that for other cereals (121·32 million tonnes) and form a single threshold target of 126 million tonnes for 1985-86.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether the original formula for reducing cereal prices in the event of a surplus was based on the previous year's price or that price increased by a notional margin.

Mr. MacGregor: Price reductions under the guarantee threshold arrangement are applied to the prices set for the marketing year following the three year period used as the basis of the calculation.

EC (Spending)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what effect the fall in the value of the dollar against the European currency unit since the beginning of 1985 will have on forecast expenditure under the European Economic Community budget on agricultural products; and which items will be most affected.

Mr. MacGregor: The rate of the dollar against the European currency unit remains higher than the assumption made by the Commission in preparing its revised budget estimate for 1985.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for 1973 and each of the past five years the total amount spent under the European Economic Community budget on each agricultural product.

Mr. Jopling: Information on expenditure from the guarantee section of the European agricultural guidance and guarantee fund for each agricultural product for 1973 and 1980-83 is set out in the EC Commission's EAGGF financial reports which have been deposited in the House of Commons Library under the following references :

1979 EAGGF Report—R/263/75 of 29.1.75
1980 EAGGF Report—(Guarantee)—10418/81 of 30.10.81
1981 EAGGF Report—(Guarantee)—9895/82 of 5.10.82
1982 EAGGF Report—(Guarantee)—9421/83 of 27.9.83
1983 EAGGF Report—(Guarantee)—9372/84 of 26.9.84

Provisional Commission figures for expenditure from the FEOGA guarantee section in 1984 are as follows:

	(mecu)
Cereals and rice	1698
Sugar	1631
Olive oil	1096
Oilseeds and proteins	871
Textiles	108
Fresh fruit and vegetables	619
Processed fruit and vegetables	835
Wine	1223
Tobacco	776
Minor products	51
Milk and milk products	5442
Beef and veal	2547
Sheepmeat	434
Pigmeat	196
Eggs and poultry	70
Non-Annex II products	382
Fish	16
Accession compensatory amounts	
Monetary compensatory amounts	376
Clearance of 1978 and 1979 accounts	−25
	18346

Tobacco

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for 1973 and each of the past five years the norm, premium and intervention prices for tobacco, the amounts taken into intervention, the cost of the tobacco regime to the European Economic Community budget and the proportion of the market supplied from European Economic Community sources.

Mrs. Fenner: The information requested is as follows:

Year	*Norm price** *(ecu/Kg)*	*Premium** *(ecu/Kg)*	*Intervention* price (ecu/Kg)*	*Intervention quantity (tonnes)*	*Cost of regime (mecu)*
1973	†1·749	†1·047	†1·575	1,049	†118·3
1980	3·286	1·973	2·923	4,000	309·3
1981	3·480	2·120	3·075	10,036	361·8
1982	3·841	2·352	3·224	10,624	622·6
1983	4·125	2·530	3·461	‡4,000	671·3
1984	4·169	2·538	3·544	n.a.	776·6

Source: EC Commission financial reports.
* These figures are averages for the 26 varieties of tobacco grown in the European Community.
† These figures are in units of account/Kg.
‡ Provisional.

The European Community is 48 per cent. self-sufficient in tobacco. This figure has remained fairly static over the last decade.

Milk

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what is the percentage increase in the intervention price of skimmed milk under the common agricultural policy in European currency units and, after adjustment, in national currencies; what was the purpose of the increase; and by how much production is expected to increase and where it will be disposed of.

Mr. MacGregor: In its 1985-86 price proposals, the Commission has proposed an increase of 6·77 per cent. in

the intervention price for skimmed milk powder. After the adjustments in green rates proposed by the Commission the increase in national currency terms for all member states would be:

	Per cent.
Belgium	+6·77
Denmark	+6·77
Germany	+5·65
France	+7·74
Greece	+10·12
Ireland	+6·77
Italy	+6·77
Luxembourg	+6·77
Netherlands	+5·64
United Kingdom	+6·77

The purpose of this increase, when combined with the proposed reduction of 3·99 per cent. in the intervention price for butter, is to effect a 1·5 per cent. increase in the target price for milk and an adjustment in relationship between the butter and skim element of milk. Total milk production is expected to decline in line with the reduction in quota levels by about 1 per cent. in 1985-86. The level of production of skimmed milk powder will depend on the uptake of whole milk and skimmed milk for various purposes including the use of skimmed milk for animal feeding.

Rice

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food (1) whether he will publish in the *Official Report* a table showing for 1973 and each of the past five years the target, intervention and threshold prices for rice, the amount of rice produced, imported and exported, and the cost to the European Economic Community of budget support to the production of rice;

(2) whether he will published a table in the *Official Report* showing for 1973 and each of the past five years the target, reference and intervention prices for the different cereals, the amount of the surpluses produced, and the cost to the European Economic Community budget of the disposal of those surpluses.

Mr. MacGregor: The information requested for the most recent years can be obtained from the Commission's publication "The Agricultural Situation in the Community" report 1984; similar information for the earlier years is contained in previous reports. Copies of these are available in the Library of the House.

Alcohol

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food how much alcohol was distilled from wine, sugar-beet and other surplus agricultural products in the European Economic Community in 1973 and each of the past five years with the aid of subsidy; how this compares with the production of industrial alcohol; and what was the cost of the subsidies to the European Economic Community budget.

Mrs. Fenner: The quantities of alcohol distilled from wine and from surplus fruit under Community financed agricultural support arrangements and the costs involved were as follows. No alcohol was produced from sugar beet at the Community's expense.

Total alcohol distilled from wine with the aid of an EC subsidy

	Millions of hectolitres
1973-74*	1·1
1979-80	2·7
1980-81	3·2
1981-82	2·1
1982-83	3·2
1983-84†‡	3·4

* Figures for 1972-73 not available.
† Provisional.
‡ Until 1984 the Commodity year ran from December to December; it now runs from 1 September to 31 August.

Cost to the EC of subsidising wine distillation (mecu)

	1973	*1980*	*1981*	*1982*	*1983*	*1984*
Wine	2·0	194·5	314·9	390·5	391·4	*869
By-products	—	0·1	—	9·0	63·1	†72
	‡2·0	194·6	314·9	399·5	454·5	941

* Includes 179 mecu incurred in 1983 but paid in 1984.
† Estimate.
‡ Converted from old budgetary units of account (ua) into ecu using average conversion rate; figure is therefore approximate.
Source: EEC Commission financial reports.

	Quantity of withdrawn fruit distilled into alcohol ('000 tonnes)*	*Cost of compensation† (mecu)*
1973-74	413	‡21
1978-79	456	13·7
1979-80	445	22·5
1980-81	504	24·5
1981-82	252	19·4
1982-83	863	87·6

* Apples, pears and peaches.
† Paid to growers for withdrawals less receipts from sale of alcohol.
‡ 1973-74: Cost of compensation only—no figure for receipts from sale(s) available.
Source: Commission.
Note: 1 tonne of apples produces about 40 litres of alcohol. There are no figures for peaches and pears.

Production of synthetic alcohol in the same years was as follows.

Production of industrial (synthetic) alcohol in the community

	Thousand hectolitres of pure alcohol
1973*	4,469
1978	5,367
1979	5,740
1980†	4,553
1981	4,342
1982‡	4,712

* Estimate.
† 1973-80: Community of nine.
‡ 1981-82: Community of ten.
Sources: 1973: Commission estimate—Report to the Council of 28 September 1978.
1978-82: Commission documents.
1973 statistics were provided for the Select Committee on the European Communities, Session 1979-80, 21 report "Ethyl Alcohol".
1978-82 statistics were provided for the Select Committee on the European Communities, Session 1983-84, 16th report, "Ethyl Alcohol".

Hill Farming

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether the grants and subsidies to hill farming are mandatory; and if he will publish in the *Official Report* a table showing the extent to which the different benefits are financed out of the European Economic Community budget.

Mrs. Fenner: The special aid to farmers in the less favoured areas is provided at my discretion within the limits permitted by EC directive 75/268 in order to ensure the continued viability of our hill and upland farms.

Details of aids paid in the less favoured areas in 1983 and of the European Community's contribution to them are as follows:

	Grant paid in 1983 £ *million*	*Reimbursement from FEOGA* £ *million*
Hill livestock compensatory allowances	85·347	21·337
Development plans	32·922	6·826
Joint investment schemes	0·034	0·009
Total	118·303	28·172

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what were the grants and subsidies covered by the figures given in his written reply dated 19 December, *Official Report*, colum 200, on support to hill farms; and if he will give the amounts spent under the various headings.

Mr. MacGregor: The following grants and subsidies were included in the derivation of the percentage figures quoted in the written reply dated 19 December 1984, at column 200:

Hill livestock compensatory allowances; annual premium on ewes; guidance premium; suckler cow premium; payments made under milk non-marketing schemes; other miscellaneous grants and subsidies.

Details of public expenditure under the common agricultural policy and on national grants and subsidies appear at table 28 of the "Annual Review of Agriculture 1985" White Paper (Cmnd. 9423).

Farm Prices

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what effect the latest farm price proposals are forecast to have on expenditure under the European Economic Community budget in 1985 and 1986 compared with 1984; and if he will give a breakdown by commodities.

Mr. Jopling: Expenditure from the guarantee section of the European agricultural guidance and guarantee fund in 1984, 1985 and 1986 is expected to be as follows:

1984 — 18,346 mecu (provisional commission outturn figure)
1985 — 19,817 mecu (1985 Draft Budget excluding allowance made for price fixing)
1986—19,500-20,000 mecu (Commission initial estimate)

The effect on this expenditure of the Commission's price proposals broken down by commodities is given in volume II of the proposals, a copy of which is available in the Library of the House.

Pigmeat

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for 1973 and each of the past five years the basic price for pigmeat, the sluice-gate price, and the basic import levy, together with the amount spent on market support for pigmeat, including restitution payments on exports.

Mr. MacGregor: The information is as follows:

ECU/tonne (Marketing year: November-October)

	*1972-73**	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*
Basic Price	825·00	1,587·21	1,761·80	1,946·80	2,053·87	2,033·30
Sluice-gate price	554·663	1,143·70	1,364·40	1,271·90	1,412·90	1,534·60
Basic import levy	262·728	411·30	345·30	508·40	478·30	398·20

MECU

Market support	*1973†*	*1980*	*1981*	*1982*	*1983*	*1984*
Export refunds	96·7	91·6	132·6	96·1	120·2	157·0
Aids to private storage	—	24·0	22·0	15·5	24·8	38·9
Total	96·7	115·6	154·6	111·6	145·0	195·9

* UA/tonne
† MUA
Source: European Commission.

Public Companies (Agricultural Production)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what information he has as to how many public companies are engaged wholly or mainly in agricultural production; and whether his Department reviews their profitability in the course of its investigations into farm costs and incomes.

Mrs. Fenner: Information on public limited companies engaged wholly or mainly in agriculture production is not separately identified within the statistics collected by my Department.

Silk

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish

in the *Official Report* a table showing for 1973 and each of the past five years the amount of aid per box of silkworm eggs under the common agricultural policy, the cost to the European Economic Community budget and the ratio of domestic production of silk to total usage in all forms in the European Economic Community, including imports.

Mrs. Fenner: The information requested on usage and imports of silk is not readily available. The other information for the most recent years can be obtained from the Commission's publication "The Agricultural Situation in the Community" report 1984. Similar information for the earlier years is contained in previous reports. Copies of these are available in the Library of the House.

Milk Quotas

Mr. Watson asked the Minister of Agriculture, Fisheries and Food whether he has any fresh proposals to make to the European Economic Community concerning the transferability of milk quotas.

Mr. Jopling: I am actively pursuing the possiblity of both sale and leasing of milk quotas separately from the land in my discussions within the Community. Changes would be required to both Community and domestic legislation before either form of transfer could be implemented. It is clear, however, that there is very strong resistance from the Commission and some other member states to a sale and purchase scheme. There is also resistance, although on a lesser scale, to a leasing scheme. Thus, changes to the Community legislation will be very difficult to secure and I cannot predict the outcome of our negotiations at this stage.

Liquid Skimmed Milk

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food how much liquid skimmed milk was subsidised for use as stockfeed in the past year in the United Kingdom; and what was the cost of the subsidies involved.

Mrs. Fenner [*pursuant to her reply*, 7 May 1985, c. *323*]: In 1984, a total of 1,198,970,965 litres of liquid skimmed milk was subsidised for use as stockfeed at a cost of £75,548,829.

Pesticides

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food how many incidents of butterflies killed by pesticides were reported to the Advisory Committee on Pesticides through the wildlife incident monitoring service, by species in each of the last five years.

Mrs. Fenner [*pursuant to her reply*, 7 May 1985, c. *322*]: No incidents involving butterflies have been reported to the wildlife incident investigation scheme.

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food if he will list those experiments or surveys which his Department has conducted, commissioned or is aware of, regarding the impact of pesticides on butterflies on or around farmland in the United Kingdom.

Mrs. Fenner [*pursuant to her reply*, 7 May 1985, c. *322*]: Information on surveillance programmes and the effects of pesticides on butterflies is given in the paper "The Environmental Cost of Pesticide Usage in the United Kingdom", published in 1983, copies of which are available in the Library of the House. In addition, the game conservancy, cereal and game bird project is monitoring the effect on butterfly populations of applying pesticides to cereal field margins.

Production and Consumption (Statistics)

Mr. Spence asked the Minister of Agriculture, Fisheries and Food if he will set out in the *Official Report* the latest available figures showing the comparison for the European Economic Community as a whole and for the United Kingdom separately between production and consumption, excluding intervention, quantities in the following items; common wheat, barley, sugar, butter, skimmed milk, eggs and beef.

Mr. MacGregor [*pursuant to his reply*, 7 May 1985, c. *322*]: The information requested is as follows:

Latest estimates of production and consumption† of selected agricultural commodities*

'000 tonnes

Commodity	*Period*	*EC-10*		*United Kingdom*	
		Production	*Consumption*	*Production*	*Consumption*
Common wheat	1984-85	70,098	46,569	14,746	10,350
Barley	1984-85	44,146	33,561	11,099	6,492
Sugar (white equivalent)	1984-85‡	12,502	9,500	1,325	2,285
Butter	1983	2,297	1,565	242	316
Skimmed milk powder	1983	2,495	1,870	302	132
Eggs	1983	3,950	3,832	738	757
Beef and veal	1984	7,500	6,800	1,107	1,217

* Usable or gross indigenous production.
† Domestic uses, excluding intervention stocks.
‡ On the basis of October/September period, except Italy and Greece where August/July period applies.
Sources:
EC Commission; EUROSTAT.

Birds (Special Protection Areas)

Dr. Cunningham asked the Minister of Agriculture, Fisheries and Food if he has made any objections to the

listing as a European Commission birds directive special protection area and Ramsar convention site the following estuaries: *(a)* Morecambe Bay, *(b)* River Orwell, Suffolk and *(c)* the Wash.

Mrs. Fenner [*pursuant to her reply*, 3 May 1985, c. 275]: My Department has not been approached about the listing of the first two of these sites. In relation to the Wash, we have expressed the view that any decision on listing should not be taken in advance of decisions on an overall strategy for the area.

Expenditure

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food to what extent the agreed increase in agricultural spending in 1985 and the actual spending in 1984 under the common agricultural policy meet the Government's wish that spending on agriculture should be subject to a strict financial guideline.

Mr. Jopling: The Council's conclusions on budget discipline, including the financial guideline for agriculture, first apply to the exercise of the Council's powers in 1985 concerning expenditure in 1986.

Written Answers to Questions

Thursday 9 May 1985

TRANSPORT

Severn Bridge

Mr. Roy Hughes asked the Secretary of State for Transport what was the total amount collected in tolls on the Severn bridge for each year since it was opened.

Mrs. Chalker: The information requested is as follows:

Year	*Tolls Levied £*
1966-67	329,971
1967-68	743,115
1968-69	807,934
1969-70	873,755
1970-71	926,546
1971-72	1,000,682
1972-73	1,192,836
1973-74	1,214,422
1974-75	1,208,599
1975-76	1,216,512
1976-77	1,254,380
1977-78	1,242,306
1978-79	1,330,837
1979-80	2,134,378
1980-81	2,757,335
1981-82	2,746,407
1982-83	2,851,081
1983-84	2,843,710
1984-85	*2·95 million

* Estimate.

Merchant Navy (Consultants' Report)

Sir Edward du Cann asked the Secretary of State for Transport if he will seek to accelerate the consultants' study into the causes of the decline in Britain's merchant fleet; and if he will publish their results as soon as they are available.

Mr. Ridley: I have not engaged consultants to study the causes of the decline of Britain's merchant fleet. I expect to receive later this month the report of the consultants I have engaged to forecast the future availability of merchant shipping to meet defence needs. My right hon. Friend the Secretary of State for Defence and I will then examine the consultants' findings against foreseen future defence needs. That examination will take some time. It would not be appropriate to make any report until it has been completed.

Leadenham (Bypass)

Mr. Douglas Hogg asked the Secretary of State for Transport if he will make a statement about the proposed construction of a bypass for Leadenham in Lincolnshire.

Mrs. Chalker: The options for a scheme for Leadenham are being reappraised because of new traffic growth figures, which I explained in my letter of 8 February. Our reassessment is reaching its final stages and I hope to announce our preferred scheme in the near future.

Roads (London)

Mr. Corbyn asked the Secretary of State for Transport what is the cost of the consultation exercise on an east London road assessment study.

Mrs. Chalker: I refer the hon. Member to the answer I gave him on 25 March 1985 at column 29.

Mr. Corbyn asked the Secretary of State for Transport when the results of the East London road assessment study consultation will be published.

Mrs. Chalker: The consultants will be drawing on these results for their initial report about problems—to be published later this year.

Mr. Corbyn asked the Secretary of State for Transport what are the numbers of *(a)* motor vehicles and *(b)* heavy goods vehicles using the A1-A102 route.

Mrs. Chalker: Collection of this data will form part of the east London assessment study.

Mr. Corbyn asked the Secretary of State for Transport what has been the cost of all public inquiries into the Archway road since 1967.

Mrs. Chalker: Approximately £430,000.

Mr. Corbyn asked the Secretary of State for Transport when Her Majesty's Government will publish the proposed routes of the road widening for the A1-A102 link in north London.

Mrs. Chalker: There is no such proposal.

Mr. Corbyn asked the Secretary of State for Transport what are the month-by-month comparisons for the daily usage of the north-east sector of the M25 since it was opened from the A1 to the Dartford tunnel.

Mrs. Chalker: The M25 became continuous from the A1(M) to the northern approach to the Dartford tunnel in January 1984. Flows are estimated to vary from section to section. At the only location, at Ockendon, where there has been continuous monitoring, the average daily (16-hour) two-way flow for each month was as follows:

Month 1984	*Vehicles per day**
February	40,000
March	47,000
April	47,100
May	47,200
June	51,100
July	53,400
August	55,100
September	52,400
October	49,100
November	48,700
December	44,400
1985	
January	39,200
February	45,000
March	50,000

* estimated from one-way count

Motorways

Mr. Corbyn asked the Secretary of State for Transport what has been the average cost of motorway building in rural and urban areas in each year since 1975.

Mrs. Chalker: Motorway construction costs per mile vary significantly depending on the standard and location

of the road concerned. The figures represent very broad average works costs at outturn prices by type of motorway. Additional associated costs such as land acquisition may add between 20 and 25 per cent. to these figures.

£ million

Year	*Rural dual 3-lane*	*Rural dual 2-lane*	*Urban dual 3-lane*	*Urban dual 2-lane*
1975	2	1	5	4
1976	2	1	5	4
1977	2	1	5	4
1978	3	2	6	4
1979	3	2	7	5
1980	4	2	9	7
1981	5	3	12	9
1982	5	3	11	8
1983	5	3	12	9
1984*	5	3	12	9

* Provisional.

Civil Aviation Bill

Sir Fergus Montgomery asked the Secretary of State for Transport if he will make a statement on the Civil Aviation Bill.

Mr. Ridley: I undertook not to proceed with the Civil Aviation Bill until decisions had been taken on the inspector's report on the Stansted/Heathrow terminal 5 planning inquiries. My hon. Friend the Minister for Housing and Construction and I will not be in a position to announce those decisions in time for the Bill to complete all its remaining stages this Session. I am therefore withdrawing this Bill.

Marine Pilotage

Sir Julian Ridsdale asked the Secretary of State for Transport whether he has now completed his consideration of the responses to the Government's consultative document on marine pilotage.

Mr. David Mitchell: I am grateful to all those who have submitted comments on the document, and I am considering them most carefully. It will necessarily be a little time before the proposed new arrangements can be settled, and in the meantime I have decided to give the leading parties concerned with pilotage an opportunity to reflect on the comments of the other leading parties and to put forward any new suggestions which could be expected to attract a consensus of support. I am accordingly arranging, with the leading parties agreement, for their comments to be made publicly available. Copies will be placed in the Library, and can also be obtained on application to my Department.

ENVIRONMENT

Urban Programme

Ms. Harman asked the Secretary of State for the Environment if he will make it his policy that, with regard to the traditional urban programme, the total financial allocation for new and time-expired projects under circular 26 will be no less in real terms than the total financial allocation for new and time expired projects under circular 25.

Sir George Young: No. Decisions on the allocations for different parts of the urban programme in 1986-87 have yet to be taken.

Holiday Play Schemes

Ms. Harman asked the Secretary of State for the Environment how many of the representations he has received from local authorities, voluntary organisations and hon. Members were in favour of the cuts in traditional urban funding for holiday play schemes; and how many were against the cuts.

Sir George Young: The representations received have argued for urban programme funding, or increased funding, for particular schemes or groups of schemes.

Sports Council

Sir Hector Monro asked the Secretary of State for the Environment if he will now make a statement on the chairmanship of the Sports Council.

Mr. Macfarlane: Following the resignation of Mr. Dick Jeeps, my right hon. Friend has appointed Mr. John Smith as the next chairman of the Sports Council. Well-known in Merseyside, in business, in football and in tennis, John Smith has been a member of the Sports Council since 1980; I feel sure that his well-known expertise in financial and corporate management, added to his unrivalled experience as chairman of Liverpool football club, will enable him to lead the Sports Council successfully towards the 1990s.

The new chairman will give two days a week. John Smith has other responsibilities which he wishes to maintain. He will, as chairman, oversee the business and direction of the Sports Council, and he will be supported by two vice chairmen, each with executive responsibilities. Ian McCallum, the present vice chairman, will continue in his post. My right hon. Friend has appointed Mr. James Harvie-Watt as a second vice chairman. A member of the Council since 1980, Mr. Harvie-Watt's financial expertise and good sense have already made a strong impression. I believe that he and Ian McCallum will give John Smith first-class support, and that they will make a very strong team, giving the council a fresh impetus for the future.

These new appointments take effect from 20 May 1985. The cost of the new team to public funds is less than the present arrangement.

I will continue to review the membership and structure of the council, with the advice of the chairman and vice chairmen.

Unfit Dwellings

Mr. Hardy asked the Secretary of State for the Environment what is his latest estimate of the number of homes which are felt to be unfit for human habitation and the number so seriously affected by damp as to present marked discomfort or disadvantage to their occupants.

Sir George Young: In the 1981 English house condition survey it was estimated that in 1981 some 1·1 million dwellings—6 per cent. of the stock—were unfit for human habitation. There is no readily available estimate of the total number of dwellings affected by damp sufficient to be a discomfort or disadvantage to their occupants.

However, the survey indicated that 10 per cent. of households considered themselves to be troubled by damp.

Housing Waiting Lists

Mrs. Renée Short asked the Secretary of State for the Environment when he next plans to meet leaders of council housing departments to discuss with them the problems they are facing in housing local citizens whose names are on long waiting lists.

Sir George Young: My right hon. Friend will be meeting representatives of the local authority associations at the meeting of the Housing Consultative Council on 10 June 1985.

English House Condition Survey

Mr. Holt asked the Secretary of State for the Environment whether he has yet decided when the next English house condition survey will be held.

Mr. Gow: The next English house condition survey will be undertaken in the autumn of 1986; preliminary work has begun. It is envisaged that the survey will have broadly the same format as that held in 1981, but the sample size will be increased considerably. The first results from the survey should be available at the end of 1987.

Housing Improvement Policy

Mr. Heddle asked the Secretary of State for the Environment if he will make a statement about the Government's review of private sector housing improvement policy.

Mr. Gow: A Green Paper entitled "Home Improvement — A New Approach" (Cmnd. 9513) is being published today. My right hon. Friend the Secretary of State for Wales and I have arranged for copies to be sent to all local authorities in England and Wales and to other interested bodies. The closing date for comments is 9 July 1985. Copies have been placed in the Library and in the Vote Office.

The primary responsibility for maintaining and improving private housing rests with the owners, though they should receive appropriate help and encouragement in fulfilling that responsibility. The Government intend to discuss with the building industry and the lending institutions ways in which more can be done to encourage owners to help themselves.

While there is still a place for public sector financial help, it needs to be better channelled towards those who could not otherwise afford to carry out essential repairs and improvements. Rateable value limits are unsatisfactory in this respect and the Government propose that they should be replaced and that eligibility should be based directly on the financial circumstances of owner-occupiers. Under the new proposals, mandatory grants would be available more widely than at present. All improvement and repair work needed to make a dwelling fit would attract a mandatory grant subject to the new eligibility test. Discretionary help would also continue but in the form of equity-linked loans, repayable on the sale of the property. New powers are envisaged for enveloping schemes and to grant-aid dwellings which are being improved for sale.

Those who are most deserving should be encouraged to apply. The Government support the development of agency services as one way of achieving this.

In most cases renovation would continue to be the answer, but where redevelopment was justified the Green Paper proposes a fairer system of compensation for those affected, and the involvement of the private sector, wherever possible, in the subsequent redevelopment.

Ministerial Cars

Mr. Tony Banks asked the Secretary of State for the Environment if he will provide details by the individual Ministers in his Department of the costs for ministerial cars in each year since 1980-81.

Sir George Young [*pursuant to his reply*, 7 May 1985, c. *306*]: The cost to the Department of the Environment of ministerial cars allocated to the Secretary of State and Ministers in the years in question were:

	1980-81 £	*1981-82* £	*1982-83* £	*1983-84* £	*1984-85* £
Secretary of State	18,720	21,320	23,920	28,600	28,600
Minister of State	18,720	21,320	23,920	28,600	26,000
Minister of State	18,720	21,230	23,920	28,600	26,000
Parliamentary Under-Secretary of State	18,720	21,320	23,920	28,600	26,000
Parliamentary Under-Secretary of State	18,720	21,320	23,920	28,600	26,000
Parliamentary Under-Secretary of State	18,720	21,320	23,920	21,450	22,550
Parliamentary Under-Secretary of State	18,720	10,660	—	—	—

ENERGY

Central Electricity Generating Board

Mr. Alton asked the Secretary of State for Energy how much the Central Electricity Generating Board is paying back to the Treasury this year to write off its historic costs.

Mr. Goodlad: The external financing limit (EFL) is set for the electricity supply industry as a whole, not for each electricity board. The electricity supply industry's EFL for 1985-86 was set at minus £1,128 million. As shown in table 5.5 of Command 9428, this EFL is mainly composed of the repayment of borrowing from the national loans fund and from market and overseas lenders. The EFL is under review in the light of the effects of the miners' strike.

EDUCATION AND SCIENCE

Advanced Supplementary Level Examinations

Mrs. Renée Short asked the Secretary of State for Education and Science if he has any plans to obtain the

views of those likely to sit advanced supplementary level examinations of the work load they anticipate will arise from these examinations; and if he will make a statement.

Mr. Dunn: No. My right hon. Friend has made clear that AS-level courses should be designed to require half the study time of A-level courses.

Burnham Committee

Mr. Freud asked the Secretary of State for Education and Science whether he will list the years in which union representation on the Burnham committee has been reviewed ; and what changes in representation resulted in each case.

Sir Keith Joseph: Changes in the composition of the teachers' panel, since the setting up of the Burnham primary and secondary committee under the provisions of the Remuneration of Teachers Act 1965, are as follows:

Name of Association	*1965*	*1966*	*1979*	*1981*
Assistant Masters' and Mistresses' Association (AMMA)	4	4	4	4
National Association of Head Teachers (NAHT)	1	1	2	2
National Association of Schoolmasters/ Union of Women Teachers (NAS/ UWT)	2	3	6	7
National Association of Teachers in Further and Higher Education (NATFHE)	4	2	1	1
National Union of Teachers (NUT)	16	16	16	16
Professional Association of Teachers (PAT)	0	0	0	1
Secondary Heads Association (SHA)	2	2	1	1

Mr. Freud asked the Secretary of State for Education and Science what representations he received requesting a review of representation on the Burnham committee prior to his announcement of such a review.

Sir Keith Joseph: The Department received specific requests for a review from 10 organisations and seven individuals.

HOME DEPARTMENT

Community Radio

Mrs. Rumbold asked the Secretary of State for the Home Department when he expects to make a further statement about the future of community radio.

Mr. Giles Shaw: My right hon. and learned Friend hopes to make a further statement within the next few weeks.

Holloway Prison

Mrs. Renée Short asked the Secretary of State for the Home Department how many people are engaged on the special project committee which he has set up to review the role and future of Holloway prison; from what professional bodies they come; and if he will list their names in the *Official Report*.

Mr. Mellor: The membership of the Holloway project committee is as follows:

Mr. C P Honey — Regional Director, South East Region, Prison Department
Mr. C J Allen—Governor, Her Majesty's Prison Holloway
Dr. P Mason — Director, Mental Health Divison, Department of Health and Social Services
Mrs. J Galbraith JP—latterly Chairman, Board of Visitors, Her Majesty's Prison Holloway
Dr. D A F Doherty—Principal Medical Officer, Directorate of Prison Medical Services
Mrs. M M Donnelly — Governor II, Prison Department Headquarters
Mr. B Chaplin—Principal, Prison Department Headquarters
Mr. D Twiner — Governor II, Prison Department Headquarters

Miss J Kinsley — Governor, Her Majesty's Prison, Brixton — attended meetings of the committee while governor of Holloway.

Mrs. Renée Short asked the Secretary of State for the Home Department if he intends to establish any special counselling and advisory services at Holloway prison to help women there who have attempted self-mutilation; and what plans he has to increase the level of prison medical staff to deal with this problem.

Mr. Mellor: Inmates at Holloway prison who attempt self-mutilation are seen, as a matter of course, by a prison medical officer, who can refer them, if necessary, to a consultant psychiatrist. A wide range of counselling and advisory services is also available. There are no plans at present to increase the level of medical cover at Holloway.

Mrs. Renée Short asked the Secretary of State for the Home Department if he will invite probation and education officers to discuss with him their views on the imposition of restrictions on contacts between professional staff and former inmates of Holloway prison.

Mr. Mellor: My right hon. and learned Friend has no plans to do so.

Mrs. Renée Short asked the Secretary of State for the Home Department if he will list the number of women prisoners in Holloway prison in each year since 1970 and the number of cells in that prison which contained *(a)* one inmate, *(b)* two inmates, *(c)* three inmates and *(d)* four inmates in each year during the same period.

Mr. Mellor: Table A sets out the average number of inmates in Holloway prison in the period 1970 to 1984.

Information on the occupacy of cells before 1976 is not readily available. Table B sets out the occupancy of cells in mid-December each year from 1976 up to 1984. No cells accommodated more than three inmates. These figures do not cover rooms and dormitories designed for multi-occupancy, nor do they cover hospital accommodation.

Table A: Average population in custody at Holloway prison, 1970-1984

Year	*Average population*
1970	397
1971	344
1972	330
1973	342
1974	331
1975	373
1976	361
1977	332
1978	359
1979	363
1980	355
1981	331

Year	Average population
1982	315
1983	332
1984	335

Table B: Holloway cell occupancy, 1976-1984

Year	Number of cells containing one inmate	two inmates	three inmates
1976	65	92	—
1977	17	75	4
1978	31	26	28
1979	23	32	29
1980	25	33	18
1981	32	48	5
1982	23	49	7
1983	32	46	7
1984	30	46	2

Women Prisoners

Mrs Renée Short asked the Secretary of State for the Home Department if he will give a breakdown of the category of offences for which present women prisoners are serving sentences in percentage terms.

Mr. Mellor: The latest readily available information is given in the following table. More detailed information relating to 30 June is published annually in "Prison Statistics, England and Wales"—table 1.5 of the latest issue for 1983 (Cmnd. 9363).

Population of females under sentence† on 31 March 1985 by offence group*

**Percentages*

Offence group	Young offenders	Adult prisoners	Total
Violence against the person	16	15	15
Sexual offences	1	1	1
Burglary	13	6	7
Robbery	12	3	5
Theft, handling, fraud and forgery	32	39	38
Other offences	20	27	25
Court martial prisoners	—	—	—
Not recorded	6	9	9
All offences (total number = 100 per cent.)	100	100	100
Number of prisoners	238	884	1,122

* Estimates based on approximate data held centrally.

† Including persons committed in default of payment of a fine, compensation order or costs.

Police (Complaints)

Mrs. Renée Short asked the Secretary of State for the Home Department how many police officers have had criminal proceedings instituted against them resulting from allegations of rape and indecent assault on females detained in their custody, since 1955; and how many of these were convicted.

Mr. Mellor: The information is not readily available and could be obtained only at disproportionate cost.

In the period 1980 to 1984, 12 police officers in England and Wales were convicted of sexual offences but information is not available centrally as to the offences in each case, or whether they were committed while the officer was on or off duty.

Prisoners (Suicides)

Mrs. Renée Short asked the Secretary of State for the Home Department if he will list in each single year since 1970 the number of men and women prisoners who have committed suicide while serving gaol sentences; and if he will list the length of the sentences which had been imposed on them individually.

Mr. Mellor: The information requested is as follows:

Year	Total	Lengths of sentences
1970	2	Life, 4 years.
1971	8	7½ years, 5 years × 2, 4 years, 3 years × 2, 12 months, 9 months.
1972	10	Life × 2, 8 years, 4 years × 2, 18 months × 3, 15 months, 9 months.
1973	8	14 years, 6 years, 5 years, 4½ years, 3 years, 2 years × 2, 9 months
1974	2	6 years × 2.
1975	6	Life, 5 years, 4 years × 2, 6 months, 21 days*.
1976	9	Life, 10 years, 5 years, 4 years, 3 years, 2 years 9 months, 18 months, 12 months, 9 months.
1977	7	Life, 12 years, 7 years, 4 years, 2 years, 18 months, 1 month.
1978	7	Life × 4, 5 years*, 18 months, 12 months.
1979	12	Life × 3, 5 years, 4 years, 3 years × 2, 18 months, 12 months, 9 months, 6 months × 2.
1980	9	Life × 3, 12 years × 2, 5 years, 4 years, 21 months, 19 months.
1981	7	Life × 2, 8 years × 2, 3 years × 2, 12 months.
1982	8	Life × 5, 15 years, 3 years, 18 months.
1983	11	Life, 4 years × 2, 3¼ years, 3 years × 2, 2 years × 2, 9 months, 6 months, 3 months.
1984	10	Life × 3, 25 years, 7 years, 5 years, 4 years, 3½ years, 2 years, 18 months.

* Females.

Asylum

Mr. Corbyn asked the Secretary of State for the Home Department if he will list by national origin and date of application the total numbers of people who have *(a)* sought and *(b)* been granted asylum in the United Kingdom in each year since 1979.

Mr. Waddington: I shall shortly place in the Library refugee statistics for 1984, together with revised figures for earlier years.

Prisoners (Rape and Murder)

Mrs. Renée Short asked the Secretary of State for the Home Department how many prisoners convicted of *(a)* rape and *(b)* murder have been released since 1955 on the basis of fresh evidence presented subsequently clearing their name; and how many were pardoned (i) before and (ii) after their execution in cases of murder between 1955 and the year of the last implementation of the death penalty.

Mr. Mellor: The information readily available is as follows. Since 1955 one man convicted of rape and one man convicted of sexual offences (unspecified in the available records) have been granted free pardons. Four men convicted of murder and one man convicted of rape have had their convictions quashed following a reference to the Court of Appeal by the Home Secretary. Between 1955 and the coming into force of the Murder (Abolition of Death Penalty) Act 1965 no person convicted of murder was granted a free pardon; 79 persons convicted of murder and sentenced to death were granted a conditional pardon and the death sentence was commuted to life imprisonment. One man convicted of murder was granted a free pardon posthumously in 1966.

Nottinghamshire Constabulary

Mr. Brandon-Bravo asked the Secretary of State for the Home Department *(a)* what is the current establishment of the Nottinghamshire constabulary, *(b)* how many officers were in post effective 31 March and *(c)* to what circumstances or reasons he ascribes the reduction in strength; and if he will make a statement.

Mr. Giles Shaw: The authorised establishment of the Nottinghamshire constabulary is 2,259, an increase of 114 since May 1979. The strength of the force was 2,150 on 31 March 1985. Police manpower levels fluctuate from month to month because of different recruiting and wastage patterns, seasonal changes and other local reasons. I understand that there was further recruitment to the Nottinghamshire constabulary in April 1985 and the present strength is 2,166.

NATIONAL FINANCE

Value Added Tax

Mr. Eggar asked the Chancellor of the Exchequer what action he intends to take to implement his Budget proposals to relieve from value added tax certain temporarily imported goods and to change the arrangements for charging value added tax on certain reimported goods; and whether he will make a statement.

Mr. Hayhoe: The Budget proposals relating to VAT on certain temporarily imported and reimported goods will be given effect by regulations made by the Commissioners of Customs and Excise under powers in the Value Added Tax Act 1983. These regulations have now been made and are being laid before the House today. They are subject to the negative procedure.

The regulations provide relief from VAT for goods which are temporarily imported solely for repair, renovation, modification or treatment and which upon re-exportation are identifiable as the imported goods. The ownership in the goods may not be transferred to any person in the United Kingdom either at importation or during the time they remain in the United Kingdom and the goods must be re-exported within six months.

The regulations also provide for VAT to be charged on goods which are reimported after repair, process or adaptation abroad as if that repair or process had been carried out in the United Kingdom—that is, generally on the cost of the work, plus any duty and freight. There must be an intention at the time of exportation to reimport the goods on completion of the process abroad, and the ownership in the goods must not be transferred to a person outside the United Kingdom either at exportation or during the time they remain abroad.

The changes under these regulations will take effect from 1 June 1985.

Nationalised Industries (Consultation Note)

Mr. Ryder asked the Chancellor of the Exchequer what steps he proposes to take in the light of comments he has received on the consultation note on nationalised industries legislation issued on 20 December 1984.

Mr. Peter Rees: Comments on the consultative document issued last December are being carefully considered and discussions with the industries are continuing. The Government do not intend to propose general nationalised industry legislation in the 1985-86 Session.

Income and Taxation

Mr. Ralph Howell asked the Chancellor of the Exchequer if, in the manner of the reply given to the hon. Member for Norfolk, North *Official Report*, 13 February 1984, column *65*, he will compare in local currencies and in pound sterling equivalent *(a)* gross domestic product per person, *(b)* average income tax paid per person, *(c)* average value added tax paid per person and *(d)* average per capita annual income in each of the United Kingdom, Germany and France during the years 1981, 1982, 1983 and 1984.

Mr. Peter Rees: The information available is given in the following table. For corresponding data for 1982 on items *(b)* and *(c)* I refer my hon. Friend to the answer given to him on 11 February at column *52*; no later data are available. Exchange rates do not necessarily provide a satisfactory basis for converting other national currencies into pound sterling in the context of GDP and a more realistic assessment of relative levels of GDP in terms of their domestic purchasing power can be made through the use of purchasing power parities. Estimates on both bases are given in the table.

Estimates per head of total population

	Gross domestic product at market prices	*Personal income**
1981		
In local currencies		
United Kingdom (£)	4,495	3,040
German Federal Republic (DM)	25,035	16,965
France (Fr)	57,660	36,550
In £ sterling		
(a) Based on exchange rates		
German Federal Republic	5,495	3,725
France	5,275	3,340
(b) Based on purchasing power parities		
German Federal Republic	5,510	3,735
France	5,320	3,375
1982		
In local currencies		
United Kingdom (£)	4,905	3,310
German Federal Republic (DM)	25,965	17,345
France (Fr)	65,830	41,175
In £ sterling		
(a) Based on exchange rates		
German Federal Republic	6,120	4,090
France	5,730	3,585
(b) Based on purchasing power parities		
German Federal Republic	5,840	3,905
France	5,790	3,620
1983		
In local currencies		
United Kingdom (£)	5,325	3,515
German Federal Republic (DM)	27,150	n.a.
France (Fr)	72,690	n.a.
In £ sterling		
(a) Based on exchange rates		
German Federal Republic	7,015	n.a
France	6,295	n.a.
(b) Based on purchasing power parities		
German Federal Republic	6,220	n.a.
France	6,120	n.a.
1984		
In local currencies		
United Kingdom (£)	5,635	n.a.
German Federal Republic (DM)	28,275	n.a.
France (Fr)	79,220	n.a.
In £ sterling‡		
(a) Based on exchange rates		
German Federal Republic	7,460	n.a.
France	6,810	n.a.

	Taxes on personal income†	*Value added tax†*
1981		
In local currencies		
United Kingdom (£)	475	205
German Federal Republic (DM)	2,715	1,585
France (Fr)	3,260	5,130
In £ sterling		
(a) Based on exchange rates		
German Federal Republic	595	350
France	300	470
(b) Based on purchasing power parities		
German Federal Republic	595	350
France	300	475

Notes:

n.a.=not available.

* Personal income comprises wages and salaries, income from self-employment and income from investments. For the German Federal Republic the figures exclude re-invested earnings of the self-employed.

† On a receipts basis. The United Kingdom figures are affected by the Civil Service dispute in 1981.

‡ Figures based on purchasing power parities are not yet available.

Sources:

United Kingdom—latest estimates supplied to OECD.

France and German Federal Republic—GDP and Personal income from OECD National Accounts publications. Tax data from Revenue Statistics of OECD Member countries 1965-83.

Mr. Ralph Howell asked the Chancellor of the Exchequer what information he has as to *(a)* the comparative gross domestic product and *(b)* the percentage of gross domestic product accounted for by income taxes and value-added tax, respectively, for each member state of the European Economic Community, for each year since 1981 inclusive; and if he will also provide for each country the total of individual salaries or incomes as a percentage of that country's gross domestic product.

Mr. Peter Rees: Comparisons of gross domestic product per head between EC member states for the years 1981-83 are given in "OECD National Accounts 1960-1983" (volume 1, page 125). A copy of the publication is available in the House of Commons Library. For information on the percentage of gross domestic product accounted for by income taxes and value added tax in the period 1981-1983, and provisional estimates of comparative gross domestic product in 1984, I refer my hon. Friend to the answer given to him on 11 February at column *54*.

The following table gives percentages of gross domestic product accounted for by personal income in 1981 and 1982 for Belgium, France, Germany, Italy, the Netherlands and the United Kingdom. Corresponding figures for later years (apart from the United Kingdom) and for the other EC member states are not available. These figures should be used with caution since they are not comparable partly for the reasons indicated by the footnotes to the table and partly because of variations between countries in the relative importance of the corporate sector and the self-employed.

Personal Income as percentage of gross domestic product at current market prices*

	1981	*1982*
Belgium†	78·0	78·0
France	63·4	62·5
German Federal Republic‡	67·8	66·8
Italy	76·5	76·9
Netherlands‡	60·8	61·7
United Kingdom	67·6	67·5

* Personal income comprises wages and salaries, income from self-employment, and income from investments.
† Includes employers' contributions to private pension schemes.
‡ Excludes re-invested earnings of the self-employed.
Source: OECD National Accounts.

Wholesale Prices

Mr. Austin Mitchell asked the Chancellor of the Exchequer how much of the increase in wholesale prices in March can be directly attributed to the fall in the exchange rate since 1 January; and if he will break down the figures to show the effect in detail.

Mr. Peter Rees: The producer price index for materials and fuel purchased by manufacturing industry fell by 1·4 per cent. between February and March, while the producer price index for home sales of manufactured products rose by 0·5 per cent. It is not possible to quantify with any accuracy the contribution of exchange rate movements to either of these figures.

Woodlands (Taxation)

Dr. Cunningham asked the Chancellor of the Exchequer (1) what measures he is taking to review the tax reliefs available to private woodland owners in the light of the case at Crichness in East Lothian where afforestation proceeded despite the Forestry Commission refusing planting grants, and in the light of the recommendations and findings of the Eighth Report of the Committee of Public Accounts on the taxation of woodlands managed on a commercial basis;

(2) what measures he takes to ensure that owners of forests claiming tax relief under schedule D are doing so only on schemes considered appropriate and viable by the Forestry Commission.

Mr. Moore: The tax treatment of forestry owners is determined under the appropriate tax law which does not differentiate between planting schemes which attract grant aid from the Forestry Commission and those which do not. The existing tax arrangements are of long standing and I have no plans at present to change them.

Taxpayers (Inquiries)

Mr. Nicholls asked the Chancellor of the Exchequer what criteria govern the implementation of an in-depth inquiry by the Inland Revenue into the affairs of a particular taxpayer; what steps are taken to ensure that unfair pressure is not applied to the taxpayer during the process; what advantages are gained from an in-depth inquiry; and if he will make a statement.

Mr. Moore: Inquiries are undertaken where the inspector of taxes is not satisfied that the taxpayer has fully declared his profits and where the potential amount of tax at stake is likely to make an investigation cost-effective.

The taxpayer's principal safeguard is his right of appeal to the independent Commissioners. Within the Inland Revenue, procedures for the control of in-depth inquiries are designed to ensure that the rights of taxpayers are strictly observed; for example, district inspectors are personally responsible for ensuring the satisfactory conduct of investigations within their offices. For a more detailed account of the powers of the inspector and the rights of the taxpayer I refer my hon. Friend to chapter 10 of volume 1 of the Keith report (Cmnd. 8822).

In-depth inquiries help to secure compliance with tax laws and deter evasion. In the year ended 31 March 1984, investigations by the Inland Revenue resulted in the collection of £371 million additional tax.

Overseas Private Investment

Mr. Thurnham asked the Chancellor of the Exchequer if he will publish a table showing which countries were the recipients of British private investment overseas in 1984 with the relevant figures.

Mr. Peter Rees: Geographical details of direct investment overseas by United Kingdom companies (excluding oil companies) are given in "Business Monitor MA4" which is available in the House of Commons Library. The latest issue gives figures for 1982. Summary figures for 1983 (including geographical information) will be published by the Department of Trade and Industry in "British Business" very shortly. Direct investment covered about a quarter of British private investment overseas as a whole in 1982: no geographical details are available of the investments made by oil companies or of portfolio or property investment by United Kingdom residents.

EC (Budget)

Mr. George Robertson asked the Chancellor of the Exchequer what contingency funds have been earmarked by the European Community Council of Ministers for a shortfall in funds created by any failure to get ratification of the latent non-reimbursible advance by national Governments.

Mr. Ian Stewart [*pursuant to his reply*, 7 May 1985, c. *366*]: None.

Consolidated Fund (Unused Balances)

Mr. Faulds asked the Chancellor of the Exchequer if he will indicate, pursuant to the answer on 18 April, *Official Report*, column *244*, whether a symbol relating to non-surrender to the Consolidated Fund of unused balances was likewise omitted in error from the Supply Estimates in respect of the votes sought for the purposes specified in Class V, 10, C2, and Class VIII, 4, B5; and whether he will make a statement.

Mr. Peter Rees [*pursuant to his reply*, 26 April 1985, c. 571]: No symbol is required for these subheads. The symbol regrettably omitted in error from subhead C1 of Class V, vote 10 and subhead B4 of Class VIII, vote 4 is one of those used to indicate the accounting and audit arrangements for grant in aid and certain subscriptions etc. to international organisations. (A full list of symbols can be found in the introduction to each Estimates booklet.) Subheads C2 and B5 are not grants in aid.

TRADE AND INDUSTRY

Export Credits Guarantee Department

Mr. Watson asked the Secretary of State for Trade and Industry why the London telephone number of the Export Credits Guarantee Department is always engaged or subject to long delays before being answered.

Mr. Channon: ECGD's London telephone facilities are provided by a modern electronic branch exchange and include provision for direct dialling to individuals and the automatic redirection of calls if a number is engaged or the intended contact is not available. The Department is unaware of any general difficulties with calls handled through the switchboard itself. If my hon. Friend has had a particular problem and gives me details, I shall have the matter investigated further.

Origin Labelling

Mr. Pawsey asked the Secretary of State for Trade and Industry if he will make a statement on the implications of the decision of the European Court as to the incompatibility of current United Kingdom country of origin labelling requirements with article 30 of the treaty of Rome for the future policy of Her Majesty's Government on country of origin labelling.

Mr. Butcher: I refer my hon. Friend to the reply of my hon. Friend the Parliamentary Under-Secretary of State with responsibility for corporate and consumer affairs of 30 April, at column 92, to my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg).

Mr. Pawsey asked the Secretary of State for Trade and Industry if he will take steps to assess the level of public support for country of origin labelling of products; and if he will make a statement.

Mr. Butcher: My Department will be consulting a wide range of interested organisations in connection with the recent judgment of the European Court of Justice on the Trade Descriptions (Origin Marking) (Miscellaneous Goods) Order 1981.

Mr. Pawsey asked the Secretary of State for Trade and Industry what assessment he has made of the employment implications for the United Kingdom of compliance with the recent judgment of the European Court on the legality of current United Kingdom country of origin labelling requirements.

Mr. Butcher: We shall be considering the views of interested parties on all the implications of the judgment, bearing in mind that the purpose of the order to which the judgment relates is to assist consumers in making their purchasing decisions.

Mr. Pawsey asked the Secretary of State for Trade and Industry if he will list the countries from which goods may be imported without country of origin labelling if the United Kingdom implements the recent judgment of the European Court on the legality of current United Kingdom country of origin labelling requirements.

Mr. Butcher: The judgment is directly relevant to goods imported from other member states of the European Community or goods originating from third countries which entered into free circulation within the Community before importation into the United Kingdom.

"Think British" Campaign

Mr. Pawsey asked the Secretary of State for Trade and Industry what steps he takes to promote the awareness amongst the public as to British-made products; whether in this he liaises with the "Think British" campaign; and if he will make a statement.

Mr. Fletcher: The Government encourage people to buy British where British goods are the best, most competitive and most suitable to the buyer. Ministers and officials in the Department of Trade and Industry have had several meetings with representatives of the "Think British" campaign.

Banana Imports

Mr. Nicholson asked the Secretary of State for Trade and Industry if he will state the quota for banana imports into the United Kingdom for each of the years 1983, 1984 and 1985; if he will break these figures down into the allocations for Northern Ireland and Great Britain, respectively, in each year, and if he will also state the actual level of imports into both parts of the United Kingdom in each year mentioned.

Mr. Channon: The requested details of the United Kingdom import quota for bananas originating in the dollar area are, by quota period:

(tonnes)

	1 October 1982 to 30 September 1983	1 October 1983 to 30 September 1984	1 October 1984 to 31 December 1985 (15 months)
TOTAL	124,848	120,114	122,450
Of which:			
Northern Ireland	7,865	7,865	10,000
Great Britain	116,983	112,249	112,450

Source: DTI Import Licensing figures

Import statistics are collected for the United Kingdom as a whole and are not separately identified by region; and in the case of bananas they include plantains. The details requested are as follows:

(tonnes)

	1983	1984	1985 (Jan-March)
Total imports of fresh bananas (including plantains)	307,169	309,327*	78,797*

* Provisional.
Source: Overseas Trade Statistics SITC/Rev 2 Sub Group 057.3 Tariff Heading 0801 3100

P and O Ferries (Take over)

Mr. Wrigglesworth asked the Secretary of State for Trade and Industry whether he intends to refer the acquisition by European Ferries of P and O cross channel ferry operations to the Monopolies and Mergers Commission.

Mr. Alex Fletcher: The acquistion is being considered by the Office of Fair Trading in accordance with the provisions of the Fair Trading Act 1973. Once the Director General of Fair Trading has submitted advice on whether the acquisition should be referred to the Monopolies and Mergers Commission the Secretary of State will announce his decision as soon as practicable.

Taiwan (Trade Mission)

Mr. Hill asked the Secretary of State for Trade and Industry if he will send a Government-sponsored trade mission to Taiwan.

Mr. Channon: I regret that I cannot send a Government-sponsored trade mission to Taiwan, because we have no diplomatic relations with that territory. However, I am happy for any bodies such as chambers of commerce or trade associations to sponsor trade missions to Taiwan.

Lord Jellicoe, in his capacity as chairman of the British Overseas Trade Board, led a small high-level trade mission to Taiwan last August. I hope that this will lead to an increase in exports from Britain to Taiwan, and a reduction in our large adverse trade balance.

Alvey Fund

Mr. McCusker asked the Secretary of State for Trade and Industry how much has been paid out in grant each year from the Alvey fund; and what proportion was allocated to projects in Northern Ireland.

Mr. Pattie: Total payments under the Alvey programme from the Department of Trade and Industry, the Ministry of Defence and the Science and Engineering Research Council were £4·2 million in 1983-84 and £14·6 million in 1984-85.

None of the recipient companies or academic institutions was located in Northern Ireland. However, one academic institution in the Province is a partner in three projects and will therefore receive some Alvey funding in the future.

Vietnam

Mr. Parry asked the Secretary of State for Trade and Industry if he will list details of trade between the United Kingdom and Vietnam in each of the past five years to the latest date.

Mr. Channon: The value of British trade with Vietnam for each of the last five years for which complete annual figures are available is as follows:

	United Kingdom exports £ million	United Kingdom imports £ million
1980	15·2	—
1981	1·2	0·1
1982	0·9	0·1
1983	0·9	0·6
1984	1·8	1·2
*1985	0·3	0·1

* Two months January and February.

Mr. Parry asked the Secretary of State for Trade and Industry what plans he has to improve trade between Her Majesty's Government and Vietnam; and if he will make a statement.

Mr. Channon: Her Majesty's Government would welcome improved trade relations with Vietnam. The chairman of the British Overseas Trade Board's South-East Asia trade advisory group paid a fact-finding visit to

Vietnam last autumn. But in present circumstances the prospect of increasing trade with Vietnam does not seem high.

Leipzig Trade Fair

Mrs. Renée Short asked the Secretary of State for Trade and Industry what grants are available each year from his Department for British companies who wish to be represented at the annual Leipzig trade fair in the German Democratic Republic; and what plans he has to increase the availability of such grants.

Mr. Channon: If there is sufficient industry interest, British companies which wish to exhibit at the Leipzig trade fair can obtain assistance under the terms of the British Overseas Trade Board's joint venture scheme, subject to the BOTB's priorities within the resources available. In 1985-86, 45 per cent., 50 per cent. and 55 per cent. of the BOTB's forecast direct costs in providing a stand and display aids are charged to first and second time participants and regular exhibitors respectively. In 1986-87 the charges will be 40 per cent., 55 per cent. and 75 per cent. respectively. Travel grants are also available for up to two representatives of each company in the BOTB group. In 1985-86 the travel grant is £115 each. In 1986-87 the grant will be about 90 per cent. of this amount for three visits to the exhibition and at half that rate for one further attendance.

Nicaragua

Mr. Corbyn asked the Secretary of State for Trade and Industry what is the annual trade between the United Kingdom and Nicaragua by *(a)* value, and *(b)* volume for each year since 1975.

Mr. Channon: Information relating to volume is not available for indivual countries.

The information on value is as follows:

Value £ million

	United Kingdom imports	*United Kingdom exports*
1975	9·9	5·5
1976	1·2	8·2
1977	1·3	8·8
1978	1·4	7·6
1979	0·9	3·2
1980	1·5	2·5
1981	1·0	4·3
1982	3·3	4·9
1983	1·8	2·4
1984*	2·2	4·8

* 1984 figures are provisional.

Source: data corresponding to United Kingdom *Overseas Trade Statistics* Table IB.

Notes: (i) all data is on a SITC/R2 basis.
(ii) United Kingdom imports are valued cif, United Kingdom exports are valued fob.

Centaur

Mr. Corbyn asked the Secretary of State for Trade and Industry if he will list the possible uses of the Centaur military vehicles which are promoted by the Defence Sales Organisation.

Mr. Butcher: The Centaur multi-role all-terrain vehicle is a stretched Land Rover the half-tracked characteristics of which greatly enhances its off-road capabilities.

Like the Land Rover it has a variety of potential military and non-military applications, including stores transportation, ambulance-medical adaptation and communications.

EMPLOYMENT

Trade Union Act 1984

Mr. Batiste asked the Secretary of State for Employment whether he will amend the Trade Union Act 1984 so as to make all members of the principal executive committees of trade unions subject to the periodic balloting provisions of part I of the Act.

Mr. Peter Bottomley: The provisions of the Trade Union Act 1984 concerning union elections come into force on 1 October. It would be premature to consider further amending legislation which has not yet taken effect.

Trade Union Funds

Mr. Batiste asked the Secretary of State for Employment whether he will introduce legislation to prevent the funds of trade unions being used to indemnify members against the consequences of illegal acts by them.

Mr. Peter Bottomley: We have no plans to introduce legislation at present.

Community Programme

Mr. Tony Lloyd asked the Secretary of State for Employment if he will place a copy of the letter to Baroness Platt of 15 January, concerning changes in the eligibility criteria for the community programme, in the Library.

Mr. Peter Morrison: I have done so, together with a copy of Baroness Platt's reply.

Manufacturing Industry (Jobs)

Mr. Nellist asked the Secretary of State for Employment how many manufacturing jobs were *(a)* lost and *(b)* created in (i) Coventry, (ii) west midlands and (iii) nationally in each of the past 10 years.

Mr. Alan Clark: Information about job gains and job losses is not available from the Department's statistics but an indication of net changes can be seen by comparing levels of employees in employment at different dates.

The following tables give the available information. Table 1 gives, for the west midlands region and Great Britain in the years specified, the annual change in the estimated number of employees in employment in manufacturing industries, analysed according to the 1980 standard industrial classification (SIC).

Information about employment for local areas is only available from the Department's censuses of employment. Table 2 gives, for the Coventry jobcentre area, the change between each census date since 1974 in the estimated number of employees in employment in manufacturing

industries, analysed according to the 1968 SIC. Analyses according to the 1980 SIC are not available for local areas prior to 1981.

Table 1—Employees in Manufacturing Industries (1980 SIC)

June each year	Change from previous year West Midlands	Great Britain
1975	−60,000	−372,000
1976	−43,000	−234,000
1977	+13,000	+52,000
1978	−3,000	−36,000
1979	−7,000	−34,000
1980	−52,000	−309,000
1981	−118,000	−704,000
1982	−58,000	−312,000
1983	−44,000	−286,000
1984	−9,000	−87,000

Table—Employees in Employment in Manufacturing Industries (1968 SIC)

Census date	Change from previous census date Coventry jobcentre area
June 1975	−5,500
June 1976	−7,200
June 1977	−1,100
June 1978	−7,400
September 1981	−30,200

Youth Training

Mr. Sheerman asked the Secretary of State for Employment what assessment he has made of the relative value of mode A youth training scheme schemes and mode B youth training scheme schemes, respectively, in making the transition from school to work.

Mr. Peter Morrison [*pursuant to his reply*, 7 May 1985, c. 356]: One of the main aims of the youth training scheme is to help young people make the transition from school to work. Most places on the scheme are sponsored by employers under "mode A" of the scheme as this provides the most realistic introduction to working life and generally the best prospects for employment. However, there is a continuing need for "mode B" schemes, particularly in areas where there may be a shortage of employer-led schemes.

The Manpower Services Commission conducts sample surveys of young people who leave the scheme. The results to date show that leavers from mode A schemes are significantly more successful in finding work than their counterparts in mode B.

WALES

Planning Appeals

Mr. Alex Carlile asked the Secretary of State for Wales (1) what steps have been taken to speed up decision-making procedures on appeal; and what is the longest delay at present in the Welsh Office between the original appeal and the decision;

(2) what is the median time for planning appeals using *(a)* the public inquiry procedure with the decision reserved to the Secretary of State, *(b)* the public inquiry procedure with the decision power devolved to the inspector and *(c)* the written representation procedure; and how all these times compare with the average two years ago.

Mr. Wyn Roberts: The required information is given in the following table. Speedier handling has resulted from the transfer of most appeals to inspectors and from a number of other procedural improvements. Most significant have been the creation of a separate Welsh-based unit of the inspectorate and the introduction of the "Express Appeals" system for accelerating the initital stages of documentation. The longest delays occur on cases recovered by my right hon. Friend the Secretary of State and dealt with by the written method. Such cases are generally complex and require more time for proper consideration. In 1984 the median time for such cases was 48 weeks.

Median times taken to determine appeals under sections 36 and 53 of the Town and Country Planning Act 1971 in Wales.

		1982 Weeks	1984 Weeks
Appeals decided by Secretary of State	Inquiry method	59	32
	Written method	54	48
Appeals decided by inspector	Inquiry method	33	30
	Written method	25	21

Note: Median times are derived by ranking all appeals in order of times taken and taking the middle case as being representative of all.

SOCIAL SERVICES

Hospital Staffs (Hours)

Mr. Deakins asked the Secretary of State for Social Services what is the average number of hours worked each week by National Health Service nurses and junior hospital doctors, respectively; and what have been the trends in these figures in recent years.

Mr. Kenneth Clarke: Following is the information requested. The figures for nurses and junior hospital doctors cannot sensibly be compared with each other at all.

Those for nurses are the averages of the actual hours worked by a sample of NHS nursing and midwifery staff during a specified pay period. We reduced nurses' contracted hours from 40 to 37½ per week in 1980-81.

The figures for junior doctors show the average number of contracted hours, which include a standard working week of 40 hours plus periods of on-call liability. In many cases, however, these are hours during which the doctor may be called in for duty, not hours actually worked. Nevertheless, we continue to take active steps to encourage authorities to reduce the excessive hours of some junior doctors and to press the profession to co-operate with this aim at local level.

(a) Nursing and Midwifery staff: average weekly hours worked (including overtime) by full-time staff (GB)†*

	April 1979	April 1980	April 1981	April 1982	April 1983	April 1984
Male	41·1	40·9	38·7	38·7	38·5	38·7
Female	39·6	39·0	37·5	37·5	37·4	37·5

Source: New Earnings Survey.

Notes:

*Full-time staff are defined as those with normal basic hours over 30 hours per week.

†Contracted hours for such staff were 40 per week (excluding meal breaks) at April 1980 and were reduced to 37½ per week by April 1981.

(b) Junior hospital doctors: Average weekly hours for which full-time staff were contracted (England and Wales)*

At 30 September	Average weekly hours
1979	91·2
1980	90·7
1981	90·1
1982	89·6
1983	88·6
1984	†87·3

*Including grades of senior registrar, registrar, senior house officer and house officer.

†*Source:* DHSS.

NHS (Ancillary Services)

Mr. Pendry asked the Secretary of State for Social Services what action he has taken to ensure that health authorities are fully taking into account the compensation element of early retirement expenditure and the net costs of redundancy payments when assessing competitive tenders for ancillary services.

Mr. Kenneth Clarke: Health authorities received guidance in our circular HC(83)18 that the total costs to them of redundancy payments and other severance payments should be taken into account in the appraisal of competitive tenders.

Mr. Pendry asked the Secretary of State for Social Services what information is available to him concerning the costs and total numbers of early retirements and redundancies from National Health Service ancillary services following the replacement of in-house provision by outside contractors.

Mr. Kenneth Clarke: As explained in my hon. Friend's reply to the hon. Member for Bolsover (Mr. Skinner) on 24 April, at column *494*, we do not collect information centrally on the numbers of redundancies or their cost, and detailed information on premature retirements has been collected only since 1 April 1984.

However, between 1 April 1984 and 31 March 1985, 303 ancillary workers were prematurely retired as a result of competitive tendering, either because the contract was let outside or because of staff reductions in-house. The lump sum compensation paid totalled £354,482·67, with an average of £1,169·91, and the average compensation element in the annual pensions awarded was £389·96.

Cancer (Nuclear Power)

Mr. Marland asked the Secretary of State for Social Services what further work is currently being undertaken following Sir Douglas Black's recommendations that more research is needed into the possible link between childhood cancers and nuclear power installations.

Mr. Kenneth Clarke: We have commissioned research projects which will implement the first four recommendations of the report. Work is under way and the results of this research will become available over the next three years.

We are still discussing with other Government Departments, outside bodies and clinicians from West Cumbria the best means of carrying out the other research and investigations recommended in the report.

Equipment (Costs)

Mr. Michael Brown asked the Secretary of State for Social Services what is the average cost of a new *(a)* King's Fund bed, *(b)* operating table, *(c)* renal dialysis machine and *(d)* whole-body scanner.

Mr. John Patten: Costs vary with the types and models of equipment. Approximate average costs or ranges of costs are:

	£
King's Fund Bed*	330
Operating Table	5,000-15,000
Renal Dialysis Machine	7,000-10,000
Whole-Body Scanner	220,000-1 million

* Standard variable height model.

Doctors (Salaries)

Mr. Michael Brown asked the Secretary of State for Social Services what is the average salary of a junior doctor employed by the National Health Service in England.

Mr. Kenneth Clarke: The information is as follows:

Grade	Average Salary (mid-point of Scale) £
House Officer	11,400
Senior House Officer	13,875
Registrar	15,700
Senior Registrar	17,940

However, I should advise my hon. Friend that, for a variety of reasons concerned with the duties and conditions of junior doctors, average salary is not a very accurate guide to average earnings. It is also difficult to define average salary, but our calculations of the number of contracted hours multiplied by mid-point of scale for the figures above is the best we can do.

Islington Health Authority

Mr. Corbyn asked the Secretary of State for Social Services what value of services are done by private contractors in the Islington health district.

Mr. Kenneth Clarke: The annual accounts for Islington health authority for 1983-84, the latest available, show a total expenditure of £853,771 for services undertaken by private contractors.

Mr. Corbyn asked the Secretary of State for Social Services what is the annual budget of the Islington district health authority for each year since 1982 and projected until 1990.

Mr. Kenneth Clarke: Allocations to district health authorities are the responsibility of regional health authorities. The hon. Member may wish to approach North-East Thames regional health authority for this information.

Homeless Persons (Removal Expenses)

Mr. Bermingham asked the Secretary of State for Social Services (1) what provision exists through the Department of Health and Social Security to meet removal expenses of homeless persons on supplementary benefit at short notice who have been refused help by the local authority;

(2) whether he has any plans to allow for the provision of removal expenses for homeless families.

Mr. Whitney: Subject to satisfying the normal conditions, homeless persons can receive help for removal expenses by way of single payments of supplementary benefit under the provisions of regulation 13 of the Supplementary Benefit (Single Payments) Regulations if they are being moved under the provisions of section 5(3) of the Housing (Homeless Persons) Act 1977 which covers the situation where the homeless person is moving from one local authority area to another where he has a close connection with the area of the receiving authority. Payments to other homeless persons can be made only under regulation 30 of the regulations where the adjudication officer is of the opinion that a single payment is the only means by which serious damage or serious risk to the health or safety of any member of the assessment unit may be prevented.

Benefits

Mr. Sean Hughes asked the Secretary of State for Social Services what is the average payment of social security benefits, including housing benefit, paid to unemployed claimants at the latest date for which figures are available.

Mr. Whitney: The estimated average weekly payment of social security benefits to unemployed claimants for 1984-85 was £44. This includes certificated housing benefit but excludes standard housing benefit and those benefits such as child benefit which remain payable in the event of the claimant not being unemployed.

Community Nursing Services

Mr. Knox asked the Secretary of State for Social Services what arrangements he is making for a review of community nursing services in the National Health Service.

Mr. Kenneth Clarke: In recent years there have been changes in the organisation of the National Health Service and shifts in patterns of care which have led to increasing demands on nursing services provided for and in the community. We have decided that the time has come to take a fresh look at important questions about the role of nurses, midwives and health visitors working as part of primary health and care teams and in different community health programmes. We are concerned about the extent to which different services may overlap, whether there are gaps, whether the training provided is well matched to the tasks community nursing staff now face, and whether the services are cost effective.

We have decided therefore to set up a community nursing review team with the following terms of reference:

"To study the nursing services provided outside hospitals by Health Authorities, and to report to the Secretary of State on how resources can be used more effectively, so as to improve the services available to client groups. The input from nurses employed by general practitioners will be taken into account."

The team will be led by Mrs. Julia Cumberlege, chairman of Brighton health authority. There will be three other members; Mr. Anthony Carr, who recently retired as district nursing officer for Newcastle HA; a lay member and a management consultant whose names will be announced shortly. We expect the review to examine carefully the present position in England, through a programme of visits and consideration of written evidence.

The review will begin in June, and I have asked Mrs. Cumberlege to report back before the end of the year.

Homeless Families (Removal Expenses)

Mr. Bermingham asked the Secretary of State for Social Services how many local authorities exercised their discretion to meet the removal expenses for homeless families in receipt of supplementary benefit and unable to make their own arrangements in each of the last four years for which figures are available.

Sir George Young: I have been asked to reply. This information is not available.

SCOTLAND

Forestry

Mr. David Marshall asked the Secretary of State for Scotland what were the tree species used, and proportions of those species planted, by the private sector with forestry grant-aid in the restocking of forests in the periods 1961 to 1970, 1971 to 1980 and 1981 to date.

Mr. John MacKay: This information could be provided only at disproportionate cost.

Forestry Grants Scheme

Mr. David Marshall asked the Secretary of State for Scotland what criteria the Forestry Commission employs in deciding whether or not to impose conditions when awarding grants made under the forestry grants scheme regarding the management practices of afforestation, including areas to be left unplanted for amenity or conservation purposes.

Mr. John MacKay: The objectives of the forestry grant scheme, to which all applicants have to adhere, include the management of the land to secure good land use and environmental benefits, and the provision of appropriate opportunities for recreation. Every application for grant is considered carefully by the Forestry

Commission in the light of these objectives, and consultations are undertaken with other authorities to ensure that the needs of land use, agriculture, amenity and recreation are taken into account before a decision is reached. In many cases modifications, including leaving areas unplanted for amenity or conservation purposes, are made to planting proposals as a result of such consultations.

Mr. David Marshall asked the Secretary of State for Scotland what powers the Forestry Commission possesses to ensure that afforestation schemes which are refused grant-aid for whatever reason under the forestry grants scheme do not proceed without grant aid.

Mr. John MacKay: The Forestry Commission has no such powers.

Strathclyde Regional Council

Mr. McTaggart asked the Secretary of State for Scotland if he will publish in the *Official Report (a)* the total revenue expenditure of Strathclyde regional council in each year since 1975, *(b)* the equivalent figure for each of these years, expressed at November 1984 prices and *(c)* the percentage of Strathclyde's revenue expenditure which was met by Government rate support grant in each of these years.

Mr. Ancram: The information is as follows:

	(a) Cash prices			*November 1984 prices*	
Year	*(1) Total excluding loan charges*	*(2) Loan charges*	*(3) Total*	*(4) (b) Total excluding loan charges*	*(5) (c) Percentage of total revenue expenditure (as at col. 3) met by Rate Support Grant per cent.*
	£ million	*£ million*	*£ million*	*£ million*	
1975-76	387·0	57·5	444·5	1,062·4	63·3
1976-77	493·9	79·3	573·2	1,215·3	64·5
1977-78	537·1	87·2	624·3	1,177·3	62·9
1978-79	603·6	91·4	695·0	1,207·5	63·6
1979-80	692·3	101·2	793·5	1,235·8	63·7
1980-81	870·3	119·0	989·3	1,219·4	64·2
1981-82	1,004·4	144·7	1,149·1	1,213·8	62·2
1982-83	1,095·0	162·1	1,257·1	1,215·9	59·0
1983-84	1,167·2	147·9	1,315·1	1,223·1	57·7
1984-85	1,204·3	154·1	1,358·4	1,207·9	56·3

Notes:

1. All expenditure information on a cash basis in columns (1), (2) and (3) is taken from the Chartered Institute of Public Finance and Accountancy publication "Rating Review" and reflects planned expenditure for the years in question. The figures in column (4) include all expenditure relevant for rate support grant purposes, excluding loan charges, and any non-relevant expenditure recorded in the publication. Column (2) gives the level of loan charges relevant for rate support grant and column (3) the total of columns (1) and (2).
2. The figures in column (4) have been converted to November 1984 prices using revaluation factors agreed with the Convention of Scottish Local Authorities. It is not possible to express loan charges on a fixed price basis.
3. Column (5) provides the percentage of total revenue expenditure (as shown in column (3)) met by rate support grant. The RSG figures have also been taken from "Rating Review". These figures do not include any specific grants paid by the Government to Strathclyde regional council.

Broadleaved Woodlands

Mr. David Marshall asked the Secretary of State for Scotland (1) if he will list in the *Official Report* the names and locations of the broadleaved woodlands clearfelled under licence and not replanted in 1982-83, 1983-84 and 1984-85 in the Forestry Commission's north Scotland conservancy;

(2) if he will list in the *Official Report* the names and locations of the broadleaved woodlands clearfelled under licence and not replanted in 1982-83, 1983-84 and 1984-85 in the Forestry Commission's east Scotland conservancy;

(3) if he will list in the *Official Report* the names and locations of the broadleaved woodlands clearfelled under licence and not replanted in 1982-83, 1983-84 and 1984-85 in the Forestry Commission's west Scotland conservancy;

(4) if he will list in the *Official Report* the names and locations of the broadleaved woodlands clearfelled under licence and not replanted in 1982-83, 1983-84 and 1984-85 in the Forestry Commission's south Scotland conservancy;

Mr. John MacKay: I shall reply to the hon. Member as soon as possible.

FOREIGN AND COMMONWEALTH AFFAIRS

Foreign Compensation (Czechoslovakia) Order 1982

Sir Bernard Braine asked the Secretary of State for Foreign and Commonwealth Affairs how many claims have been lodged under the Foreign Compensation (Czechoslovakia) Order 1982; what is the reason for the delay in making payments; what time limit there is on the making of such claims; whether arrangements exist for payment while claimants are still alive; and if he will make a statement.

Mr. Renton: Altogether 2,204 claims have been lodged with the Foreign Compensation Commission under the terms of the Foreign Compensation (Czechoslovakia) Order 1982. The closing date for lodging claims under this order was 31 August 1983. The circumstances which led to many of these claims were such that we have had to approach the Czechoslovak authorities on behalf of the Foreign Compensation Commission to try and obtain

additional information which the claimants have been unable to provide themselves, in order to verify the claims. Some 1,700 queries have been put to the Czechoslovak authorities and, while they are being very co-operative in this matter and have already supplied over 330 replies to the queries, it is inevitable that they will need more time to process the large number which remain outstanding. Up to the end of April 1985, the Foreign Compensation Commission had reached decisions on 373 of the claims.

European Commission of Human Rights

Mr. Silvester asked the Secretary of State for Foreign and Commonwealth Affairs how much Her Majesty's Government have contributed to the running of the European Commission of Human Rights and the Court since 1979.

Mr. Renton: Since there is no separate budget for the European Commission and Court of Human Rights, the actual cost of our contribution since 1979 is not readily available. I shall write to my hon. Friend.

Vietnam

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if there are any plans to improve diplomatic and cultural relations with Vietnam.

Mr. Luce: There is little scope for closer diplomatic and cultural relations between Britian and Vietnam while the Vietnamese Government continue their illegal occupation of Cambodia and their serious abuses of human rights.

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's current relations with Vietnam.

Mr. Luce: I refer the hon. Member to the answer I gave him on 21 February 1984, at column *478*.

Chile

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs what steps his Department takes in accordance with Her Majesty's Government's policy on human rights to monitor the publications and activities of the opposition parties and human rights groups in Chile.

Mr. Renton: One of the many functions of Her Majesty's embassy in Santiago is to maintain regular contact with the democratic opposition and with human rights groups in Chile.

The Foreign and Commonwealth Office also monitors regularly the publications put out by opposition and human rights groups.

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs if he will take steps to ban all arms sales to Chile.

Mr. Renton: We believe that a total embargo would be ineffective. Nevertheless, as in the past, we seek to ensure that British firms do not sell items to Chile which, in our judgment, are likely to be used for internal repression.

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs if relations with Chile were re-examined in the wake of the imposition of the state of siege there in November 1984.

Mr. Renton: We keep the situation in Chile under constant review and leave the Chilean Government in no doubt about our concern over the violation of human rights and the absence of normal political liberties.

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will take part in a meeting of Foreign Ministers of the European Community, as called for in the European Parliament resolution of 17 April to discuss Chile;

(2) what policy Her Majesty's Government have adopted in the institutions of the European Community with regard to the resolution of the European Parliament about Chile passed on 18 April.

Mr. Renton: We remain in frequent and close touch with our Community partners about matters of common concern, including the situation in Chile, both at the European Council and through the political co-operation machinery.

German Democratic Republic (Embassy Staff)

Mrs. Renée Short asked the Secretary of State for Foreign and Commonwealth Affairs what proposals he has to increase staffing levels at the British embassy in the German Democratic Republic in order to seek to improve trade prospects for British firms.

Mr. Renton: The staffing levels of Her Majesty's embassies are reviewed periodically during visits by teams of Foreign and Commonwealth Office inspectors. The last inspection of the embassy in the German Democratic Republic was in September 1984.

Drugs

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his meeting with his European counterparts to discuss drug taking in member states.

Mr. Renton: I refer the hon. Member to the answer I gave my hon. Friend the Member for Welwyn Hatfield (Mr. Murphy) yesterday, at column *428*.

AGRICULTURE, FISHERIES AND FOOD

Meat (Refund Payments)

18. **Mr. Beggs** asked the Minister of Agriculture, Fisheries and Food what is the estimated cost to the Northern Ireland meat industry of financing eight to nine week delays in exchange refund payments by the Intervention Board for Agriculture for meat placed under customs control in Northern Ireland; and if he will take steps to reduce delay in payment to the 10 to 14-day pattern of other EEC countries.

Mrs. Fenner: I regret that the information requested is not available, but every effort is being made to overcome these delays.

Sugar

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food if he will estimate how the proposed minimum price for B quota sugar compares with the cost of production on a large sugar beet farm; and if he will publish in the *Official Report* a table giving the breakdown of costs on a representative large sugar beet farm in 1984 or 1983.

Mr. MacGregor: Sugar beet is grown as a single crop and it is not meaningful to relate costs of production to A B or C quota sugar.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food (1) whether he will publish in the *Official Report* a table showing for 1973 and each of the past five years the export restitutions on exports of white sugar and the quantities exported, together with the levies on imports of raw sugar;

(2) whether he will publish in the *Official Report* a table showing for 1973 and each of the past five years the threshold target and intervention prices for white sugar, the basic beet price, the amount and price for A and B quota sugar beet, the amount of the import levy on raw and white sugar and net exports of white sugar.

Mr. MacGregor: The information requested on import levies is not readily available and an be obtained only at disproportionate cost. The other information can be obtained for the most recent years from the Commission's publication "The Agricultural Situation in the Community" report 1984. Similar information for the earlier years is contained in previous reports. Copies of these are available in the Library of the House.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for each year since 1970 the United Kingdom price for white sugar compared with the world price.

Mr. MacGregor: The information requested is given in the table:

	*United Kingdom price for white sugar** £/t		*World price for white sugar‡* £/t
1970-71	N/A	1970	40·70
1971-72	N/A	1971	46·92
1972-73	N/A	1972	73·80
1973-74	91·43	1973	101·06
1974-75	†113·90	1974	310·03
1975-76	160·31	1975	219·94
1976-77	194·46	1976	155·90
1977-78	208·84	1977	114·88
1978-79	231·29	1978	101·21
1979-80	258·52	1979	114·73
1980-81	293·06	1980	294·34
1981-82	319·91	1981	201·92
1982-83	351·83	1982	118·77
1983-84	364·57	1983	139·32
1984-85	364·57	1984	N/A

* For 1970-71 to 1972-73 no guaranteed prices for white sugar were set in the United Kingdom. The prices shown for 1973-74 onwards are the intervention prices for white sugar which from 1977-78 include the storage levy.

† There were two price settlements in 1974. The price shown is that fixed in the autumn.

‡ There is no single world price for sugar. The prices shown are the average London daily price which is representative of the world price.

Source: International Sugar Organisation.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what is the basis for the proposed increase in the price of sugar under the common agricultural policy.

Mr. MacGregor: The information requested can be found in volume 1 of the European Commission's proposals concerning the fixing of prices for agricultural products for 1985-86 (explanatory memorandum 4582/85 dated 28 February 1985) a copy of which is in the Library.

Cereals

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the output of cereals in each European Economic Community country over the past five years compared with 1970, 1960 and 1955.

Mr. MacGregor: The latest available estimates for the level of production in 1984 are set out. Those for 1955, 1960 and 1970 were published by EUROSTAT in "Land use and production, 1955-1979" and for 1980 to 1983 in the Commission's publications "The Agricultural Situation in the Community" reports 1983 and 1984.

Estimated EC Production of Cereals, 1984

'000 tonnes

	Germany	*France*	*Italy*	*Netherlands*	*Belgium and Luxembourg*	*United Kingdom*	*Ireland*	*Denmark*	*Greece*	*EC10*
Common wheat	10,223	32,650	5,451	1,120	1,266	14,747	597	2,445	1,734	70,232
Durum wheat	—	559	4,685	—	—	24	—	—	893	6,161
Barley	10,284	11,700	1,634	193	924	11,099	1,601	6,072	840	44,347
Maize	1,026	10,200	6,828	—	42	—	—	—	1,992	20,088
Oats	2,973	1,890	438	65	126	549	137	157	54	6,389
Rye	1,983	320	25	25	39	29	—	608	6	3,035
Sorghum	—	421	107	—	—	—	—	—	2	530

Source: EC Commission

Hill Farming

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what is his estimate of the net income of hill farmers in the latest year for which estimates are available.

Mr. MacGregor: Average net farm incomes on hill and upland (less favoured areas) cattle and sheep farms for 1983-84 are shown in table 27 of the "Annual Review of Agriculture 1985" (Cmnd. 9423) which is available in the Library of the House.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish a table in the *Official Report* giving the size distribution of hill farms by *(a)* acreage and *(b)* standard man-days or European supply units, or both.

Mr. MacGregor: The information requested is not readily available and can be provided only at disproportionate cost.

EC (Spending)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the cost per cow of all the European Economic Community subventions to dairy products, the cost per animal of the subventions to beef, sheep and pigs and the cost per tonne of the subventions on other crops.

Mr. MacGregor: Information on European Commission expenditure in recent years on the main agricultural products is summarised in "The Agricultural Situation in the Community — 1984 Report" published by the Commission which is in the Library. The report also contains details of livestock numbers and crop production.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for each common agricultural policy product the amount exported with financial aid from the European Economic Community budget in 1973 and in each of the past five years.

Mr. MacGregor: Information on the volumes of exports receiving aid from the Community budget is not readily available. However details of Community exports of agricultural products for the latest years are summarised in "The Agricultural Situation in the Community—1984 Report" published by the Commission. Information for the earlier years is contained in the reports for 1981 and 1975.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the proposed guide and intervention prices under the common agricultural policy as a percentage of the relevant United Kingdom price in 1972-73.

Mr. MacGregor: The Commission's proposals for CAP prices for 1985-86 are contained in European document 4582/85 (explanatory memorandum of 28 February 1985); guarantee prices obtaining in the United Kingdom in 1972-73 are contained in the "Annual Review and Determination of Guarantees 1972" (Cmnd. 4928). Copies are available in the Library of the House.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the cost in 1973 and in the latest available year of the European Economic Community subventions on the various cereal crops, sugar beet and rapeseed in terms of cost per acre of crop produced, together with the corresponding United Kingdom figure for the average of the years 1967-68 to 1970-71.

Mr. MacGregor: Information about European Community expenditure on the main agricultural products is summarised in the series of annual reports entitled "The Agricultural Situation in the Community" published by the Commission: these reports also contain information on the areas of individual crops produced and more detailed analyses are available on the Eurostat computer data base, CRONOS. Copies are in the Library. Detailed information on expenditure on agriculture by the United Kingdom exchequer and on crop areas is contained in the "Annual Review of Agriculture" for the appropriate years. Copies of this are also available in the Library.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether the agreement reached in the European Council on the restriction of agricultural spending relates only to expenditure under the guarantee section of the European agricultural guidance and guarantee fund; and if he will publish in the *Official Report* a table showing the percentage of the European Economic Community budget accounted for by this section in each year since 1981 and the percentage implied in the budget for 1985.

Mr. MacGregor: The financial guideline for agriculture, which forms part of the Council's conclusions on budgetary discipline, applies to the guarantee section of the European agricultural guidance and guarantee fund, excluding fisheries. The percentage shares of total budget taken by this expenditure (titles 1 and 2) since 1981 are as follows:

	Per cent.
1981	62
1982	61
1983	65
1984	*67
1985	†71

* Supplementary and Amending Budget No. 1
† Draft Budget

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food if he will publish in the *Official Report* a table showing the increase in agricultural spending under the common agricultural policy in 1984 and budgeted for 1985 compared with the increase in other spending under the European Economic Community budget.

Mr. MacGregor: The information requested is as follows:

(mecu)

	Total expenditure under the common agricultural policy	*Other expenditure*
1983 Outturn	16,634	7,676
1984 Supplementary and Amending Budget No. 1	19,121	8,128

	Total expenditure under the common agricultural policy	*Other expenditure*
Change in 1984 from 1983	+ 2,847*	+ 452†
1985 Draft Budget	20,751	7,179
Change in 1985 from 1984	+ 1,630‡	−949‖

* + 15 per cent.
† + 6 per cent.
‡ + 9 per cent.
‖ −12 per cent.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for each year since 1970 the percentage increase in the European Economic Community and in the United Kingdom of gross domestic product expenditure on food and the increase in spending under the common agricultural policy.

Mr. MacGregor: Details of expenditure on food in individual member states of the European Community are available from the databank of the European Commission (CRONOS). Expenditure under the common agricultural policy is published in the reports of the EC Court of Auditors and in the financial reports on the EAGGF. This information is available in the Library of the House.

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing the increase in expenditure proposed for agriculture under the European Economic Community budget for 1985 and the distribution of the increase within and between the main sections of the agricultural budget.

Mr. MacGregor: The following table sets out the increase foreseen in expenditure under the common agricultural policy between 1984 and 1985.

MECU

European Agricultural Guidance and Guarantee Fund (EAGGF)	*1984*	*1985*	*Increase 1984-1985*
(a) guarantee section			
cereals and rice	1,698	2,415	+ 717
sugar	1,631	1,689	+ 58
olive oil	1,096	897	− 199
oilseeds and proteins	871	1,210	+ 339
textiles	108	213	+ 105
fruit and vegetables	1,455	1,356	− 99
wine	1,223	998	− 225
tobacco	776	841	+ 65
milk	5,442	6,602	+1,160
beef	2,547	2,460	− 87
sheepmeat	433	451	+ 18
pigmeat	196	163	− 33
eggs and poultry	70	124	+ 54
processed goods	382	402	+ 20
MCAs and ACAs	376	110	− 266
minor products	51	54	+ 3
clearance of accounts	−25	−150	− 125
fish	16	24	+ 8
other measures	0	120	+ 120
Total Guarantee	18,346	19,955	+1,633
(b) guidance section	620	658	+ 38
Non-EAGGF agricultural expenditure	125	114	− 11
Total CAP	19,091	20,751	+1,660

Source:
1984 *(a)* EAGGP guarantee — provisional outturn from EC Commission working document
(b) Other sections—supplementary and amending budget No. 1 (outturn figures not yet available).
1985—Draft budget established by Council on 23 April 1985

Agricultural Holdings

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food if he will estimate the proportion of agricultural land cultivated in holdings with 10 or more regular whole-time workers.

Mr. MacGregor: The proportion of agricultural land in England and Wales on holdings with 10 or more regular whole-time workers as recorded at the June 1984 agricultural census was 6 per cent.

Agricultural Holdings

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he will publish in the *Official Report* a table showing for each year since 1955 the number of agricultural holdings larger than the threshold below which minor holdings have been excluded from the census from time to time; and if he will distinguish the number of tenanted holdings.

Mrs. Fenner [*pursuant to her reply*, 26 April 1985, c. *587*]: The information requested is as follows:

Main agricultural Holdings in England and Wales

Thousands

	Main holdings	*Of which rented or mainly rented**
1955	†376·3	—
1956	371·4	—
1957	367·9	—
1958	362·0	—
1959	357·3	—
1960	350·9	—
1961	344·7	—
1962	340·5	—
1963	335·7	—
1964	328·8	—
1965	323·8	—
1966	318·1	—
1967	306·6	—
1968	‡254·3	—
1969	245·9	—
1970	‖233·4	92·9
1971	228·6	86·9
1972	220·2	84·8
1973	¶212·8	82·5
1974	211·4	81·4
1975	206·2	77·7
1976	204·4	74·9
1977	199·1	71·1
1978	198·0	68·4
1979	197·5	65·2
1980	•185·2	60·3
1981	185·1	58·3
1982	185·4	56·4
1983	186·0	55·0
1984	182·9	52·8

* Information on tenure is not available for years before 1970.
† From 1955 to 1967, all holdings with an acre or more were

included, except where agricultural activity was known to be small.

‡ From 1968 to 1969, main holdings were those with at least an acre in total *and* —at least 10 acres of crops and grass, or at least one full-time worker, *or* a standard labour requirement of at least 26 standard man days a year.

From 1970, holdings with less than an acre were included, if they met one of the three other criteria at ‡.

ʿ From 1973, the standard man day criterion was raised to 40, the other two criteria remaining the same.

• From 1980, the threshold criteria were changed to include holdings with one or more of the following: at least six hectares of total area; a standard annual labour requirement of at least 100 standard man days; at least one regular whole-time worker; a glasshouse area of at least 100 sq. metres.

General

Changes in numbers of holdings from year to year are affected by addition and deletion of smaller holdings near the threshold, and by the amalgamation of previously separate holdings. This is a continuous process but in some years special exercises produce larger changes. For instance, the net fall of 3,000 between 1983 and 1984 was largely the result of reclassifying holdings up or down across the threshold, following the June 1983 census and the minor holdings census of March 1983. Such changes affecting smaller holdings are of little significance in measuring the aggregates of agricultural activity.

Apple Intervention Scheme

Mr. John David Taylor asked the Minister of Agriculture, Fisheries and Food if it is proposed to extend the European Economic Community apple intervention scheme for Bramley apples beyond 31 May of the current year; and if he will make a statement.

Mrs. Fenner: No. After consultation with growers' representatives and in the light of the existing market situation, the European Commission has decided not to propose an extension of the scheme for apples beyond 31 May.

Rural Estate

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food if he intends to publish *(a)* a Green Paper and *(b)* a White Paper on the rural estate.

Mrs. Fenner [*pursuant to her reply,* 7 May 1985, c. *322*]: One of the recommendations of the House of Commons Environment Committee's first report, on the operation and effectiveness of part II of the Wildlife and Countryside Act 1981, was that the Government should undertake a review of the whole use of the rural estate and produce a White Paper. The Government's response to that report, which will include a reply to this recommendation, will be issued shortly.

NORTHERN IRELAND

Security

1. **Mr. Peter Robinson** asked the Secretary of State for Northern Ireland if he will make a statement on the security situation in Northern Ireland.

Mr. Hurd: Since I last answered questions in the House on 4 April, two civilians have died in incidents arising from the security situation in the Province.

The security forces' efforts to defeat terrorism continue, and since the beginning of this year a total of 171 people have been charged with serious offences, including 20 with murder, 89 weapons, 3,327 rounds of ammunition and 2,222 lb of explosives have been recovered.

Most of these explosives—about 1·5 tonnes—were found near Dungannon on 25 April. By denying the terrorists the use of this murderous material, the security forces undoubtedly prevented them from inflicting a great deal of destruction and suffering on the community and I echo the commendation by my hon. Friend earlier.

Mr. Yeo: asked the Secretary of State for Northern Ireland if he will make a statement about the security position in Northern Ireland.

Mr. Hurd: I refer my hon. Friend to the answer that I gave to the right hon. Member for South Down (Mr. Powell) earlier today.

Housing Executive

15. **Mr. Clifford Forsythe** asked the Secretary of State for Northern Ireland if he is satisfied with the operation of the Housing Executive's arrangements for repairs.

Mr. Chris Patten: This is a matter that I have discussed with the chairman of the Housing Executive. The current arrangements for dealing with repairs are generally effective, but the Executive is continually searching for ways of improving its maintenance systems and its repairs service for tenants.

Magilligan Prison

17. **Rev. Ian Paisley** asked the Secretary of State for Northern Ireland if he will make a statement on the situation at the Magilligan prison.

Mr. Scott: Her Majesty's prison, Magilligan, at present holds 317 prisoners, all of whom are conforming to prison rules. The structure of the prison system as a whole, including Magilligan, is being considered in the context of the planned opening of Her Majesty's prison, Maghaberry.

Asbestos

Mr. Frank Field asked the Secretary of State for Northern Ireland (1) if he will make a statement on the current approach of the Departments under his control to the problem of asbestos in Northern Ireland;

(2) if he has any plans for launching a publicity campaign in order to make the population of Northern Ireland more aware of the dangers of asbestos and remedial measures which ought to be taken to prevent asbestos-related diseases.

Mr. Chris Patten: The current approach is contained in the Asbestos Regulations (Northern Ireland) 1969 and the Asbestos (Licensing) Regulations (Northern Ireland) 1984. These regulations impose requirements for the safety and welfare of persons employed in factories and other premises and places where processes are carried on which involve asbestos or any article capable of giving rise to asbestos dust. In addition, the licensing regulations require an employer or self-employed person who carries out work with asbestos insulation or coating to do so in accordance with a licence issued to him by the Department of the Economic Development. That department is currently consulting on a Northern Ireland equivalent of proposed Great Britain regulations which will prohibit the importation, supply or use of certain types of asbestos.

There are no plans to launch a specific publicity campaign on the dangers of asbestos. The Health and

Safety Agency established by the Department of Economic Development regularly publicises both the hazards of asbestos at work and the requirements of the relevant legislation.

A leaflet entitled "Asbestos in Housing" which was issued by the Government throughout the United Kingdom in 1983 is being revised, and copies of the new version will be made available for distribution in Northern Ireland.

Homoeopathy

Sir John Wells asked the Secretary of State for Northern Ireland if he intends to implement the recommendations by the Health and Social Services Committee of the Northern Ireland Assembly on homoeopathy within the National Health Service.

Mr. Chris Patten: My right hon. Friend the Secretary of State is giving careful consideration to the Assembly's report and will be responding to it as soon as possible.

Castlereagh (Grant Aid)

Mr. John David Taylor asked the Secretary of State for Northern Ireland what is the amount of loan or grant to be paid from the European regional development fund towards the cost of the Robinson leisure centre in Castlereagh; what are the terms of this asssistance; and if he will make a statement.

Dr. Boyson [*pursuant to his reply*,7 May 1985, c. *347*]: No European regional development fund assistance has been committed to the cost of this centre.

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he has approved the submission by Castlereagh borough council of an application to the European regional development fund for financial asistance, either by grant or loan, towards the capital costs of the proposed Dundonald international ice-bowl by Castlereagh borough council.

Mr. Boyson [*pursuant to his reply*, 7 May 1985, c. *347*]: No; Castlereagh borough council has written to the Department of Economic Development applying for a European regional development fund grant and has provided preliminary information which is being considered.

Water Service (Unpaid Bills)

Mr. Nicholson asked the Secretary of State for Northern Ireland what amount of money is still owed in payments to the Department of the Environment (Water Service), in respect of each of the last four financial years, by those persons who have a metered supply.

Mr. Chris Patten [*pursuant to his reply*, 7 May 1985, c. *348*]: Information is available only to illustrate the accumulated amount carried forward at the billing cycle closest to the end of each financial year as follows:

	£ million
1981-82	0·99
1982-83	1·32
1983-84	1·52
1984-85	*1.30

* Estimated

PRIME MINISTER

Tax Credit System

35. **Sir David Price** asked the Prime Minister what is the Government's policy towards the introduction of a tax credit system.

The Prime Minister: This question will be among those considered in the Green Paper on the reform of personal taxation, which will be published later this year.

Scotland (Visits)

Mr. David Marshall asked the Prime Minister if she will list in the *Official Report* all the parliamentary constituencies in Scotland which she has visited in an official capacity since May 1979, and the dates on which each visit took place.

117. **Mr. Willie W. Hamilton** asked the Prime Minister how many days she has spent on official visits to Scotland in each of the last five years.

The Prime Minister: The information requested is as follows:

Date	*Constituency*
10-11 July 1979	Edinburgh Central Edinburgh Leith Edinburgh Pentlands Edinburgh North Edinburgh West
5-7 September 1979	Caithness & Sutherland Aberdeen South
4-5 July 1980	Aberdeen West Edinburgh Central
4-5 September 1980	Orkney and Shetland
15-16 May 1981	Edinburgh North Edinburgh Central
3 September 1981	West Renfrewshire South Ayrshire
15 May 1982	West Lothian
31 July 1982	Dumbartonshire West
1-2 September 1982	Glasgow Central Kinross and West Perthshire South Angus Aberdeen West Aberdeen North
28-29 January 1983	Glasgow Central
31 August/1 September 1983	Dumfries Edinburgh Central Cunninghame North Renfrew West and Inverclyde
5-6 September 1984	Edinburgh Central Livingston Stirling Perth and Kinross Inverness, Nairn and Lochaber

Visits where I have been a guest of Her Majesty the Queen are excluded.

Prior to June 1983 constituencies are given on the old basis before the Boundary Commission changes came into effect.

Foreign Tours (Cost)

Mr. Skinner asked the Prime Minister what is the latest figure for the cost of her foreign tours since May 1979.

The Prime Minister: The latest estimate for expenditure by the Prime Minister's Office on foreign visits during the period May 1979 to March 1985 is £2,426,531.

Entertainment Costs

Mr. Skinner asked the Prime Minister what is the latest figure for the cost of entertainment at *(a)* Chequers and *(b)* 10 Downing street (i) since May 1979 and (ii) since June 1983.

The Prime Minister: The latest figure for the cost of entertainment during the period of May 1979 to March 1985 is £96,598. The latest figure for the period June 1983 to March 1985 is £34,635. These figures cover entertainment at both Chequers and No. 10 Downing street; the information is not available by location.

Private Office (Cost)

Mr. Skinner asked the Prime Minister what is the latest cost figure for maintaining her private office since May 1979.

The Prime Minister: The cost figure of running No. 10 Downing street and all costs associated with the Office of the Prime Minister, from and including the financial year 1979-80, is as follows.

*Total annual cost at outturn prices**

Year	*Cost £*
1979-80	1,299,601
1980-81	1,614,824
1981-82†	2,303,301
1982-83	2,554,752
1983-84	2,885,042
1984-85‡	3,288,367

* Includes salaries and wages, pension liability and administration costs, but excludes the salary of the Prime Minister, messengerial and cleaning services; and any allowance for accommodation until 1983-84 when the property repayment scheme was introduced. Following the abolition of the CPRS the policy unit in the Prime Minister's Office was strengthened by four staff. In the last full year of its existence (1982-83) CPRS employed 35 people and cost £1,109,000. Thus, while the cost of the Prime Minister's Office increased as a result of the abolition of the CPRS, substantial net overall savings were made.

† The increase in cost between 1980-81 and 1981-82 reflects the change in the basis of charging by MOD for aircraft used by the Prime Minister, and the introduction of repayment for the service staff at Chequers, previously provided as an allied service.

‡ Latest estimate of 1984-85 outturn.

Economic Summit

Mr. Deakins asked the Prime Minister what consultations she had with Commonwealth countries on matters to be discussed at the Western economic summit meeting in Bonn.

The Prime Minister: I am aware of the views of Commonwealth countries on international economic issues from the frequent discussions I have with my Commonwealth counterparts. I am looking forward to discussing such matters further with them at the Commonwealth Heads of Government meeting this autumn.

Engagements

Mr. Parry asked the Prime Minister if she will list her official engagements for Thursday 9 May.

Mr. John Mark Taylor asked the Prime Minister if she will list her official engagements for Thursday 9 May.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Thursday 9 May.

Mr. Yeo asked the Prime Minister if she will list her official engagements for Thursday 9 May.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Council of Ministers (Decisions)

Mr. John David Taylor asked the Prime Minister in what circumstances Her Majesty's Government decide to place before Parliament for decision matters decided by the European Economic Community Council of Ministers; and if she will make a statement.

The Prime Minister [*pursuant to her reply*, Tuesday 7 May 1985, c. *310*]: Decisions of the European Council which fail to be implemented by means of Community instruments become the subject of normal Council procedures and of the parliamentary scrutiny procedure in this country. Decisions in the field of political co-operation are implemented as part of our foreign policy, for which Ministers are answerable to Parliament.

Written Answers to Questions

Friday 10 May 1985

WALES

Homes (Insulation)

Dr. Michael Clark asked the Secretary of State for Wales how many grants for homes insulation have been given in each year since 1978; and what estimate he has of the number of grants paid to households where one member of the household was in receipt of supplementary benefit.

Mr. Wyn Roberts: Information on the number of grants paid is as follows:

Number of Insulation Grants Paid

Year	*Number*
1978	5,815
1979	20,231
1980	19,523
1981	24,231
1982	28,883
1983	29,480
*1984	20,362

* Provisional

No information is collected centrally which identifies households in receipt of supplementary benefit.

Dr. Michael Clark asked the Secretary of State for Wales if he will estimate the number of public sector houses which do not benefit from adequate insulation.

Mr. Wyn Roberts: An estimate is only available on a Great Britain basis.

ENERGY

Offshore Fields

Mr. Hardy asked the Secretary of State for Energy if he will list the offshore oilfields which have or may have already passed the point of peak production.

Mr. Peter Walker: The Department of Energy's annual report entitled "Development of the Oil and Gas Resources of the United Kingdom 1985" lists in section 4 operators' estimates of when producing oilfields have achieved, or are expected to achieve, peak production.

DEFENCE

Departmental Committees of Inquiry

Mr. Eggar asked the Secretary of State for Defence how many departmental committees of inquiry he and his predecessors, including First Lords of the Admiralty, Secretaries of State for War, Secretaries of State for Air, Ministers of Supply, Ministers for Defence Procurement, Ministers of Aviation and Ministers of Aviation (Supply), have commissioned since 1955; and what were the subjects the committees investigated, the dates they were established, who chaired them and the dates they reported.

Mr. Stanley: The reply given by my hon. Friend the Minister of State, Treasury, on 1 May at column *142* applies also to Ministry of Defence committees of inquiry. However, from records that are readily available, it appears that since 1973 the report of one other departmental committee of inquiry established by the Secretary of State for Defence has been published as a Command Paper, that being "The Protection of Military Information — Report of the Study Group on Censorship" chaired by General Sir Hugh Beach — Cmnd. 9112 which was published in December 1983. In addition, an explanatory memorandum on the report of the defence lands committee chaired by the right hon. the Lord Nugent of Guildford was published as Cmnd. 5364 in July 1973.

Far East Pilgrimage

Mr. Favell asked the Secretary of State for Defence if he is prepared to include Burma in the far east pilgrimage which he is organising for veterans and war widows.

Mr. Lee: Detailed planning continues for the proposed visit to the far east, which was announced by the Prime Minister on 14 February at column 230. We are not, therefore, in a position to say which countries will be visited. A further announcement will be made in the near future.

Classified Documents

Mr. Dalyell asked the Secretary of State for Defence if he will make a statement on the recent discovery of classified defence documents relating to Aldermaston and the Tornado aircraft on a rubbish dump in London.

Mr. Butler: Investigations are in progress into the circumstances surrounding the discovery of these documents and it would be wrong to comment further until these investigations have been completed.

Trident

Mr. Strang asked the Secretary of State for Defence if he will provide a breakdown, by the following budget categories, of the savings attributable to the King's bay decision on maintaining United Kingdom Trident missiles in the United States of America: the submarines, the missiles, the weapons systems, the shore construction, the warhead miscellaneous and unallocated contingencies.

Mr. Butler: The savings attributable to the decision to process missiles at King's bay instead of in the United Kingdom are approximately £700 million at average 1984-85 prices and at an exchange rate of £1−$1·38. The missiles and shore construction each account for some 45 per cent. of the saving, with the remainder being attributed mainly to weapon systems.

Nuclear Devices (Testing)

Mr. Deakins asked the Secretary of State for Defence if, in their undergound testing of nuclear devices, Her Majesty's Government restrict underground explosions to devices with a force of 150 kilotons of TNT or less, in line with policies adopted by the United States of America and the Union of Soviet Socialist Republics.

Mr. Butler: Yes.

Dechmont Rifle Range

Mr. MacKenzie asked the Secretary of State for Defence (1) how many members of *(a)* the regular forces, *(b)* reserve forces and *(c)* civilian organisations used Dechmont rifle range in the last year for which figures are available;

(2) on how many days per year on average Dechmont rifle range is used by *(a)* the regular forces, *(b)* reserve forces and *(c)* civilian organisations;

(3) what was the total cost to public funds in the last year for which figures are available of the Dechmont rifle range;

(4) how many units of *(a)* the regular forces and *(b)* reserve forces used Dechmont rifle range in the last year for which figures are available;

(5) how many accidents to persons, livestock and property arising from the operation of the range have occurred on or near to Dechmont rifle range in the last five years;

(6) what is the exact distance between the firing points at Dechmont rifle range and the nearest civilian residential accommodation;

(7) how much money was paid by his Department to Strathclyde regional council and Glasgow district council either in the form of rates or for other services in the last year for which figures are available;

(8) how often Dechmont rifle range was used on a Sunday in the last year for which figures are available;

(9) how much money was received by his Department from civilian rifle clubs for the use of Dechmont rifle range in the last year for which figures are available;

(10) how many full-time soldiers or civilians are employed at Dechmont rifle range;

(11) what is the total acreage of Dechmont rifle range;

(12) how much money was expended by his Department for fencing and for walling at Dechmont rifle range in the last year for which figures are available; and how many people are permanently employed on this work;

(13) what insurance arrangements are made by his Department in respect of accidents to people and livestock on or near to Dechmont rifle range;

(14) how many rounds of live ammunition were used at Dechmont rifle range by regular or reserve forces in the last year for which figures are available; and what was the cost to public funds of the ammunition;

(15) what arrangements are made to warn members of the public when live ammunition is used at Dechmont rifle range.

Mr. Lee: My noble Friend, the Parliamentary Under-Secretary of State for the Armed Forces will write to the hon. Member.

Re-Chem Plants (Bonnybridge and Pontypool)

Dr. David Clark asked the Secretary of State for Defence what quantities of waste from Porton Down have been sent to Re-Chem plants at Bonnybridge and Pontypool for disposal since 1975.

Mr. Lee: I refer the hon. Member to the answer I gave the hon. Member for Cynon Valley (Mrs. Clwyd) on 7 May at column *386*.

Centaur Military Vehicle

Mr. Corbyn asked the Secretary of State for Defence if his Department has sought any information or conducted any assessment, of the performance of the British-manufactured Centaur military vehicle in use in Chile.

Mr. Butler: My Department is familiar with the basic specification and performance of the Centaur multi-role military vehicle and has in the past conducted trials on one of its variants. No specific assessment has been made or information sought on the trials of the vehicle in Chile.

War Widows (Visits to Cemeteries)

Mr. Viggers asked the Secretary of State for Defence what visits to war cemeteries are being arranged in the current financial year for war widows under the scheme announced by the Minister of State for the Armed Forces, the right hon. Member for Tonbridge and Malling (Mr. Stanley), on 22 October 1984, *Official Report*, column 471.

Mr. Stanley: For the first year of the new Government-funded scheme, The Royal British Legion's programme of visits to overseas war graves planned so far is as follows:

Country/Region	*Area Covered*
Italy (South)	Salerno, Cassino, Anzio, Caserta, Naples
Tunisia	All war cemeteries
Japan/Hong Kong	Yokohama/Hong Kong
S Germany	Munich, Durnbach
Somme	Arras, Amiens, Theipval, Vimy, Pozieres, Beaumont Hamil
Normandy	All war cemeteries
Luxembourg and Belgium	Honon, Brussels
Germany	Hamburg, Hanover, Soltau, Berlin
Holland	All mainland cemeteries including Rheinberg and Reischswald Forest
Italy (North)	Argenta Gap, Florence, Coriano Ridge, Ancona, Faenza, Forli, Sanierno
Egypt	El Alamein, Cairo, Alexandria
Belgium	Menin Gate, Ypres Salient Cemeteries
Thailand	Kanchanburi, Chungkai

Falkland Islands

Mr. Foulkes asked the Secretary of State for Defence if he will list the occasions on which military personnel from other countries have visited the Falklands since 1983, stating in each case their country of origin and the purpose of the visit.

Mr. Stanley [*pursuant to his reply*, 8 May 1985, c. *385*]: There have been no official visits by foreign military personnel. However, such records as are readily available show that three Canadian officers have visited the Falklands as part of their duties with the British units to which they are attached. This is part of the normal and productive officer exchange programme between Canada and the United Kingdom. To provide details of all additional exchange personnel who may have visited the Falklands for the period in question would require a check of the records of all units posted to the Falklands during that time, which could not be undertaken except at disproportionate cost.

Defence Secretariat 17

Mr. Boyes asked the Secretary of State for Defence which parts of his Department now handle the responsibilities formerly handled by Defence Secretariat 17.

Mr. Stanley [*pursuant to his reply*, 8 May 1985, c. *383*]: The responsibilities of the former Defence Secretariat 17 for nuclear and conventional arms control and disarmament have passed to the defence arms control unit, while the division's other nuclear policy responsibilities have been allocated to the director of nuclear policy and security.

NORTHERN IRELAND

Homes (Insulation)

Dr. Michael Clark asked the Secretary of State for Northern Ireland how many grants for homes insulation have been given in each year since 1978; and what estimate he has of the number of grants paid to households where one member of the household was in receipt of supplementary benefit.

Dr. Boyson: I am informed by the Northern Ireland Housing Executive, which administers the home insulation grant scheme in the Province, that the number of grants paid in each year since 1 December 1978 is as follows:

Year	*Grants*
*1978-79	1,882
1979-80	11,119
1980-81	7,452
1981-82	7,267
1982-83	5,844
1983-84	4,984
1984-85	4,999
	43,547

* 1 December 1978 to 31 March 1979.

In 1984-85 (the only year for which a figure is available) 850 grants were paid to households of which one or more members were in receipt of supplementary benefit.

Dr. Michael Clark asked the Secretary of State for Northern Ireland if he will estimate the number of public sector houses which do not benefit from adequate insulation.

Mr. Chris Patten: This is a matter for the chairman of the Northern Ireland Housing Executive who has advised me that about 47,000 Housing Executive dwellings do not have adequate roof space insulation. There are about 30,000 dwellings which could benefit by having cavity wall insulation but do not at present have such insulation.

Armagh Prison (Female Prisoners)

Mr. McNamara asked the Secretary of State for Northern Ireland how many strip searches were made of female prisoners in Her Majesty's prison, Armagh, in the month of April; if he will give the number of persons involved and the number of times each person was searched; whether any prison contraband, smuggled item or illegal correspondence was discovered in any search, indicating which items; in how many cases prisoners refused to be searched and had to be restrained while the search was being concluded; and if he will indicate the reasons for the search, namely, making an appearance at Armagh courthouse on remand, attending trial, inter-prison visit or other reasons, itemising the other reasons.

Mr. Scott: During April 1985 a total of 52 searches were carried out on 21 prisoners in Her Majesty's prison Armagh: 12 prisoners were searched once, eight were searched twice, and a life sentence prisoner taking part in a pre-release programme was searched on 24 occasions. The latter prisoner was offered accommodation in a separate self-contained unit of the prison, which would have eliminated the need for her to undergo the full reception search procedure, but she preferred to remain located with other prisoners.

No prohibited articles were found during these searches, and no prisoner refused to be searched. Searches were carried out in the following circumstances:

	Number
First admission on remand and awaiting trial	5
First admission on sentence, and final discharge	9
Attending Armagh Remand Court	1
Bail Court appearances	3
Outside hospitals	3
Pre-release programme	21
Home leave scheme	10
Total	52

HOME DEPARTMENT

Civil Defence

Mr. Murphy asked the Secretary of State for the Home Department what encouragement the Government are planning to give to local authorities to develop civil defence to cope with peacetime emergencies as well as with war; and if he will seek to amend the Civil Defence Act 1948 accordingly.

Mr. Giles Shaw: The existing guidance to local authorities will be incorporated in the consolidated emergency planning guidance to local authorities, to be issued in the near future, makes clear that there is no objection to the use of civil defence resources in planning for peacetime emergencies provided that this is done without detriment to the performance for an authority's civil defence duties. It remains our intention to fulfil the manifesto commitment with regard to extending the Civil Defence Act 1948 at the earliest practicable opportunity.

Advisory Council on Race Relations

Mr. Wheeler asked the Secretary of State for the Home Department what meetings of the Advisory Council on Race Relations have taken place since 31 March; and what subjects were discussed.

Mr. Brittan: The council met on 29 April under my chairmanship. Discussion concentrated on two issues. First, there was a positive and constructive discussion on the Swann report on the education of children from ethnic minority groups. My right hon. Friend the Secretary of State for Education led the discussion, which ranged widely over the major recommendations of the report, but

focused particularly on the possible causes of educational under-achievement and the question of ethnic monitoring of pupils and teachers.

The council also had a most useful discussion about the role of the Manpower Services Commission, focusing on the training opportunities it could offer to people from the minority communities. The chairman of the MSC was present and reported on a number of positive steps which had been taken since the council last considered this issue in October 1984.

FOREIGN AND COMMONWEALTH AFFAIRS

Human Rights (Bulgaria and Greece)

Mr. John David Taylor asked the Secretary of State for Foreign and Commonwealth Affairs when he last made representations to the Governments of Bulgaria and Greece about their policies on the human rights of the Turkish minorities in their respective countries; and if he will make a statement.

Mr. Rifkind: My right hon. and learned Friend discussed this question with the Bulgarian authorities during his visit to Sofia on 10-11 February. He has had no such discussions with the Greek authorities as the situation in the two countries does not seem to be comparable.

Nicaragua

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what references are made to Nicaragua in the European Economic Community Commission's negotiating mandate for a European Economic Community-Central America co-operation agreement; if it is proposed to treat Nicaragua in a similar way to the other countries in the region; and if he will make a statement.

Mr. Rifkind: The Commission has not yet made proposals for the negotiating mandate for a European Community/Central America co-operation agreement. By analogy with the European Community/Andean Pact Co-operation Agreement and the European Community/ASEAN Co-operation Agreement, we would expect a European Community/Central America agreement to be negotiated on a collective regional basis.

Discrimination Against Women

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs why Her Majesty's Government have not yet ratified the United Nations convention for the elimination of all forms of discrimination against women.

Mr. Renton: We are still considering this convention in the light of our existing legislation and hope to be in a position to make an announcement about ratification soon.

Poland

Mrs. Renée Short asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had in the framework of the International Monetary Fund about raising the level of financial loans available to Poland to assist economic recovery.

Mr. Rifkind: None. Discussions about Poland's application to join the International Monetary Fund are continuing.

Nuclear Weapons Freeze (Europe)

Mrs. Renée Short asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Government of East Germany about proposals for a nuclear weapons freeze in Europe.

Mr. Luce: During my right hon. and learned Friend's visit to East Berlin and the German Democratic Republic he discussed arms control issues with Mr. Fischer and Mr. Honecker. On the question of a freeze on nuclear weapons, my right hon. and learned Friend stressed our view that the aim should be to achieve significant reductions in both sides of nuclear weapons rather than a moratorium that would merely freeze the existing imbalance in intermediate range forces in Europe in the Soviet favour.

"Europe—The Future"

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what is meant by European integration in paragraph 13 of Her Majesty's Government's Paper, "Europe—The Future," submitted to the European Economic Community Heads of Government meeting in June 1984.

Mr. Rifkind: The phrase denotes the co-operation of European Community member states in pursuit of common objectives and greater unity.

Human Rights (Iran)

Mr. Beggs asked the Secretary of State for Foreign and Commonwealth Affairs when Her Majesty's Government last made representations to the Islamic Republic of Iran regarding reported violation of human rights of minority groups, including Baha'is; and if he will make a statement.

Mr. Luce: On 2 October last year, the Ten made a demarche in Tehran to the Iranian Government expressing the concern felt by the Governments of the Ten at the continued reports of persecution of the Baha'i community in Iran. We followed this up by co-sponsoring the resolution on human rights in Iran at the 41st session of the United Nations Commission on Human Rights. The resolution was adopted on 13 March.

Human Rights (Uganda)

Mr. Fisher asked the Secretary of State for Foreign and Commonwealth Affairs what recent evidence he has received about developments in human rights in Uganda.

Mr. Renton: My hon. Friend the Member for Edinburgh, Pentlands (Mr. Rifkind) visited Uganda on 11-12 March. There appears to have been some improvement in human rights although much still remains to be done. We receive regular reports on human rights in Uganda from the British high commission at Kampala.

TRANSPORT

Bus Grant

Mr. Freeman asked the Secretary of State for Transport what recent representations he has received on the definition of rural area for the purposes of transitional bus grant.

Mr. David Mitchell: We have received several representations from hon. Members and others on the definition of small towns within which mileage will be eligible for grant and we shall take these into account in reaching a final decision.

Private Cars (Taxation)

Mr. Allen Adams asked the Secretary of State for Transport if he will consider simplifying the method of taxing private cars.

Mrs. Chalker: New cars are subject to VAT and also to a special car tax, levied at first registration. Thereafter they are subject to vehicle excise duty when they are used on the roads. VED for private cars is levied at a flat rate, currently £100 per annum, although six monthly licences may also be taken out. Almost all relicensing may be done in any of more than 3,000 post offices. The procedure for vehicle excise licensing also serves the purposes of maintaining an accurate vehicles register and of enforcing MOT test and insurance requirements.

Consistent with those other purposes, vehicle excise licensing is as simple and convenient as we can make it. If the hon. Member has any particular examples of complexity in mind, perhaps he would write to me.

M25

Mr. Peter Bruinvels asked the Secretary of State for Transport why several private cars and other vehicles were using the as yet unopened M25 interchange at Leatherhead at 10 am on Wednesday 1 May; and if he will make a statement.

Mrs. Chalker: Advertising agencies, film companies and so on often ask to be allowed to use unopened stretches of motorway which are not yet ready for use by public traffic, for filming or demonstration purposes. The Department gave permission for London Weekend Television to use part of the Leatherhead interchange section of the M25 on 1 May 1985.

Legislation

Mr. David Marshall asked the Secretary of State for Transport if he has any plans to consolidate all transport legislation; and if he will make a statement.

Mr. Ridley: No. Given the wide ranging nature of my responsibilities, I do not believe that this would serve any useful purpose. Individual areas are of course consolidated when necessary and when the opportunity arises.

North Circular Road

Mr. Portillo asked the Secretary of State for Transport if he will consider an alteration in the road markings along the single carriageway three-lane section of the north circular road known as Telford road.

Mrs. Chalker: I have considered the markings on this section from the point of view of road safety but am not aware of any special problems. If my hon. Friend has a particular point in mind, perhaps he will write to me.

SCOTLAND

Salmon Industry

Mr. Nicholas Baker asked the Secretary of State for Scotland if he will make a statement about the state of the salmon industry.

Mr. John MacKay: Following a modest increase in reported catches of salmon and grilse from 1,092 tonnes in 1982 to 1,221 tonnes in 1983, provisional figures for 1984 indicate a decline to about 988 tonnes. This is extremely disappointing but may be due in large part to last year's prolonged drought preventing significant numbers of fish from running up rivers until after the fishing season.

Elderly Persons (Dementia)

Dr. Bray asked the Secretary of State for Scotland what funding is being given to research projects in Scotland investigating the causes of dementia in elderly persons.

Mr. John MacKay: Information relating to all medical research being conducted in Scotland is not available centrally. However, the Scottish Home and Health Department is currently supporting two projects relevant to investigating the causation of dementia in elderly persons. Total funding provided for these projects is some £38,000.

Dr. Bray asked the Secretary of State for Scotland how many projects for the elderly with dementia are funded under the support finance scheme in Scotland.

Mr. John MacKay: 50 projects for the provision of facilities for the elderly are currently being funded under this scheme. Many of these will be of benefit to the elderly with dementia, and two of them are specifically intended to assist such persons.

Dr. Bray asked the Secretary of State for Scotland how many elderly people with dementia are in psychiatric hospitals in Scotland.

Mr. John MacKay: The number of patients suffering from dementia, aged 65 years and over and resident in Scottish psychiatric hospitals of all types at 31 December 1983 was as follows:

	Number
Males	986
Females	3,206
Total	4,192

Dr. Bray asked the Secretary of State for Scotland (1) how many day centres are planned in each of the next five years for each health board in Scotland for the elderly with dementia;

(2) how many places in day hospitals are planned in each of the next five years for each health board in Scotland for the elderly with dementia;

(3) how many continuing care units for the elderly with dementia are planned to open in each of the next five years for each of the health boards in Scotland.

Mr. John MacKay: This information is not available centrally. Health boards are currently reviewing their plans for this type of accommodation.

Dr. Bray asked the Secretary of State for Scotland (1) how many day centres are provided in each health board in Scotland for the elderly with dementia;

(2) how many places are provided in day hospitals for each health board in Scotland for the elderly with dementia.

Mr. John MacKay: The statistics held centrally do not distinguish between the two types of provision. At 31 March 1984 the estimated number of hospitals/centres and the number of places available in the areas of the Health Boards making such provision was as follows:

	Number of hospitals/centres	*Number of places**
Ayrshire and Arran	1	25
Argyll and Clyde	3	73
Fife	3	103
Greater Glasgow	2	48
Grampian	4	53
Lothian	7	156
Tayside	7	107
Dumfries and Galloway	1	30
Total	28	595

* Estimated.
Source: ISD(S)1.

Dr. Bray asked the Secretary of State for Scotland what evidence is available to him on the performance of health boards in Scotland in providing services for the elderly with dementia, in terms of the recommendations of the Scottish Home and Health Department's report "Scottish Health Authorities Priorities for the Eighties", HMSO 1980.

Mr. John MacKay: The evidence available centrally is contained partly in information provided in response to requests by the Scottish Home and Health Department and partly in published and other statistical information collected by the information services division of the Common Services Agency.

Dr. Bray asked the Secretary of State for Scotland how many continuing care units for the elderly with dementia have been opened by each health board in Scotland since the publication of the Scottish Home and Health Department's report "Scottish Health Authorities Priorities for the Eighties", HMSO 1980.

Mr. John MacKay: Two such units have been opened, both in the Grampian health board area.

Dr. Bray asked the Secretary of State for Scotland how many elderly people with dementia are placed in acute medical wards in Scotland.

Mr. John MacKay: This information is not kept centrally.

Leith Academy

Mr. Ron Brown asked the Secretary of State for Scotland what recent representations he has received regarding the proposed new building for Leith academy; and if he will make a statement.

Mr. Allan Stewart: Representations have been received from Lothian regional council and from a number of community organisations and individuals in Leith. I have agreed to meet Lothian regional council when they have completed an investment appraisal of secondary school accommodation in the northern part of Edinburgh.

Teachers' Superannuation Fund

Mr. Canavan asked the Secretary of State for Scotland what is the average payment and number of years of payment to recipients out of the Scottish teachers' superannuation fund from the date of retirement to the date of death, indicating any payments to dependants.

Mr. John MacKay: In the year to 31 March 1985 the average pension paid to former members of the teachers' superannuation scheme in Scotland was £4,004 inclusive of pensions increase. The average period during which pension had been paid to former members who died in that year, rounded to the nearest full year, was 16 years. Figures for the dependants of those who died in the year are not readily available. At 31 March 1985 there were 2,177 pensions in payment to dependants of deceased teachers.

Mr. Canavan asked the Secretary of State for Scotland what is the average total annual payment *(a)* out of and *(b)* into the Scottish teachers superannuation fund; and if, in the latter case, he will give a breakdown of income from employees' contributions, employers' contributions, investment and any other source.

Mr. John MacKay: Since the teachers' superannuation scheme for Scotland has a notional but not an actual fund, all income is paid to the Exchequer, which in turn meets all expenditure. In 1983-84, the latest year for which figures are available, expenditure in respect of the scheme, including pensions increase but excluding the cost of administration, amounted to £106·6 million: teachers contributed £38·7 million, their employers contributed £49·9 million, and £1·1 million was received from miscellaneous sources including transfer values.

It is for actuarial purposes only that the assets and liabilities of the scheme are treated as a notional fund. The notional interest assessed as arising from notional investment was calculated as £107·7 million for the year. The cost of pensions increase, which accounts for 38 per cent. of total expenditure, is met separately by central Government and is not charged to the fund.

Freshwater and Salmon Fisheries (Scotland) Act 1976

Mr. Canavan asked the Secretary of State for Scotland how many protection orders have been *(a)* applied for and *(b)* granted under the Freshwater and Salmon Fisheries (Scotland) Act 1976; and if he will list in each case the mileage of waters, the names and addresses of the applicants, the permit prices, the times of access and any other restrictions.

Mr. John MacKay: Formal proposals for protection orders have been submitted in respect of six areas. Protection orders have been granted in respect of four areas and were detailed in my reply to the hon. Member on 10 January. Proposals in respect of the River Tay and the Rivers Garnock, Irvine and Annick and other waters in west Strathclyde region have now progressed to the stage of formal consideration; proposals in respect of the former have been advertised and made available for public

inspection in terms of paragraph 1 of schedule 1 of the Freshwater and Salmon Fisheries (Scotland) Act 1976. Proposals in respect of the latter are likely to be advertised etc. in the very near future.

The numbers of proprietors and occupiers who submitted proposals for access are 67 in the case of the Tweed, 23 in the Upper Spey and so on, 29 in the River Tummel, 2 in the River Lunan, 107 in the River Tay and 18 in the Rivers Garnock, Irvine and Annick etc. This amounts to some 246 separate names and addresses and it would not be practicable to list them in this reply.

The mileage of water and costs of permits available for fishing are:

River	*Mileage*	*Day Permits*	*Weekly Permits*	*Season Permits*
Tweed	426	Free-£3	Free-£6	Free-£10
Upper Spey	118	£2-£5	£5-£8	£12
Tummel	200	50p-£2	£2-£6	£5-£25
Lunan	18	£1-£2.50	n/a	£5-£20
Tay	180	£1-£5	£4-£25	n/a
Garnock				
Irvine etc.	*	£1-£3.50	£5-£10	£5-£14

* Not calculated.

The permit prices in respect of the Upper Spey, Tay and Garnock, Irvine etc. are current; those in respect of the Tweed, Tummel and Lunan were the prices chargeable at the times of grafting or renewal of the protection orders. Any changes in prices are taken into account when renewals of orders are being considered. In each of the cases above, there are various reductions for old age pensioners and juveniles.

Restrictions on fishing vary in each case. For example there are some restrictions on methods used and night and Sunday fishing. The numbers of rods permitted at any one time on some fisheries is limited whilst in others unlimited access is offered. Bag limits on the numbers of trout caught in any one day are also applied on some fisheries.

Salmon

Mr. Nicholas Baker asked the Secretary of State for Scotland if he will make a statement about salmon poaching and other offences damaging the salmon industry.

Mr. John MacKay: A great deal of effort is devoted to the enforcement of salmon and sea fisheries legislation by the Department of Agriculture and Fisheries for Scotland, district salmon fishery boards, water bailiffs and the police. Fishery protection vessels, fixed wing aircraft, helicopters and shore-based staff equipped with two-way radio telephones are all deployed, with considerable success, to curb the activities of those who fish illegally. In the period from 1 December 1983 to 1 December 1984 there were 321 and 38 prosecutions respectively for salmon poaching in the sea and in fresh water.

My right hon. Friend proposes to complement the ban on the use of drift nets, set from a boat, to fish for salmon by prohibiting in Scottish inshore waters *(a)* the use of gill nets, set otherwise than from a boat, to fish for salmon and *(b)* the carriage of monofilament gill nets in British fishing boats. Consultation about those prohibitions are under way in terms of the Inshore Fishing (Scotland) Act 1984.

Consultations are continuing about the possibility of introducing legislation to deal with several other matters, including a scheme of salmon sales control as an anti-poaching measure.

AGRICULTURE, FISHERIES AND FOOD

Sheepmeat

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what is the total amount paid out in grants and subsidies on the production and sale of sheepmeat, including hill farming etc. subsidies, as a ratio to the total receipts from the sale of British sheepmeat in the United Kingdom market for home consumption in the latest year for which figures are available.

Mr. MacGregor: Information is not available in the form requested.

National Aids

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether he examines national aids given to agriculture by other member states of the European Economic Community to ensure that they comply with articles 92 and 93 of the treaty of Rome; and whether he will publish in the *Official Report* details of the national aids given to agriculture by the other member states, together with the amount spent for the latest period for which figures are available in each case.

Mr. MacGregor: The European Commission is responsible for monitoring all aids given by member states with a view to ensuring they are compatible with the Community's rules. It would not be appropriate for my Department to duplicate this work. We are however constantly on the alert for national aids to agriculture that appear to breach the Treaty and remain fully prepared to refer substantiated cases to the Commission. Full details of aids to agriculture in other member states are not available.

Broadleaved Woodlands

Dr. Cunningham asked the Minister of Agriculture, Fisheries and Food if he will list in the *Official Report* the names and locations of the broadleaved woodlands clearfelled under licence but not to be replanted in 1982-83, 1983-84 and 1984-85 in the Forestry Commission's *(a)* south-west England conservancy, *(b)* north-west England conservancy, *(c)* north-east England conservancy, *(d)* east England conservancy and *(e)* south-east England conservancy.

Mrs. Fenner: This information is not held centrally and could be provided only at disproportionate cost.

Soil Survey

Mr. Proctor asked the Minister of Agriculture, Fisheries and Food what recent representations he has received with regard to the continuation of the soil survey of England and Wales; and if he will make a statement.

Mrs. Fenner: In response to recent representations we have confirmed that the funding of the soil survey is unchanged for the current year and will be set at around half the present level in 1986-87. We believe that the wide

range of interests which make use of the expertise of the survey offers scope for it to operate more commercially in the future.

EC Budget

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food if he will give the European Economic Community Commission's latest budget proposals for expenditure by common agricultural policy products for 1985.

Mr. Jopling: The Council has now established a draft Budget for 1985 which provides for expenditure by product as set out in the reply given to the hon. Member on 17 April 1985 at column *205*.

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food what is the anticipated increase in common agricultural policy expenditure in 1985 resulting from the most recent budget proposals as compared with 1984.

Mr. Jopling: I refer the hon. Member to the reply given to the hon. Member for Great Grimsby (Mr. Mitchell) on Thursday 9 May 1985 at column *499*.

Bees

Mr. Steel asked the Minister of Agriculture, Fisheries and Food if he has any plans to take steps to ban the importation of foreign queen honey bees; and if he will make a statement.

Mrs. Fenner: Under the Importation of Bees Order 1980 the importation of bees is prohibited except under the authority of a licence. Licences are issues only in respect of queen bees (with attendant workers) from countries which have a high bee health status and, more particularly, are free from the parasitic mite, *Varroa jacobsoni*. In practice imports are restricted to those from New Zealand and the USA. At the present time there is no reason to prohibit imports from these countries although the situation is kept under review.

Mr. Steel asked the Minister of Agriculture, Fisheries and Food what representations he has received about the current legislation on honey bee diseases.

Mrs. Fenner: We have received a number of letters, including some from hon. Members, on various aspects of bee disease. In reply we have made clear the importance which I attach to maintaining a healthy bee population and have described the arrangements which we have introduced to that end. I am satisfied that our current arrangements provide fully adequate protection for the health of our bee population. However, we keep the situation under review and would modify our arrangements should this become necessary.

Genetic Research Expenditure

Mr. Steel asked the Minister of Agriculture, Fisheries and Food if he will make a statement outlining how genetic research spending within his Department's research and development budget is determined.

Mrs. Fenner: Expenditure on animal and plant genetic research has been determined after taking account of the views of the industry, the Agricultural and Food Research Council and advice from within my own Department. In future the advice of the Priorities Board will also be available to Ministers and the Agricultural and Food Research Council in determining the allocation of research and development budgets.

Vitamins (Food Labelling)

Rev. Martin Smyth asked the Minister of Agriculture, Fisheries and Food how many representations have been received by his Department regarding the implications for vitamin manufacturers of his Department's food labelling regulations; and if he will list the organisations concerned and state which representations concerned vitamin E.

Mrs. Fenner: Since proposals for new food labelling regulations were issued in September 1983 my Department has received representations concerning the labelling vitamin products and of foods containing vitamins from trade associations, manufacturers, retailers and individuals. Most of these representations have been general in nature and have not referred specifically to the implications for vitamin manufacturers.

Vitamin Deficiency

Rev. Martin Smyth asked the Minister of Agriculture, Fisheries and Food what advice he has sought or received from outside his Department as to whether vitamin E deficiency constitutes a health problem in the United Kingdom.

Mrs. Fenner: My Department is advised on such health matters by the medical advisers in the Department of Health and Social Security. Their advice is that vitamin E is present in adequate amounts in any likely diet in this country.

Agricultural Land (Access)

Mr. Freeman asked the Minister of Agriculture, Fisheries and Food what discussions his Department is having with interested bodies on the question of access to agricultural land.

Mrs. Fenner: My Department attends regular meetings of the Rights of Way Review Committee and the Common Land Forum, the membership of which includes a broad cross-section of bodies interested in the question of access to agricultural land.

My Department assisted the Countryside Commission in preparing its "Countryside Access Charter", in whose launch in March this year my right hon. Friend the Minister of State, Lord Belstead, participated.

ENVIRONMENT

Local Authorities (Statistics)

Sir Brandon Rhys Williams asked the Secretary of State for the Environment if he will publish for each local authority the latest estimates available of *(a)* rate support grant, *(b)* rate support grant per domestic ratepayer, *(c)* expenditure on education, *(d)* expenditure on police, *(e)* revenue from domestic rates and *(f)* revenue from commercial and business rates.

Mr. Waldegrave: I have today placed in the Library the information, based on local authorities' 1984-85 budgets.

Conservation Policy

Mr. Murphy asked the Secretary of State for the Environment what is the policy of Her Majesty's Government with regard to the adoption of conservation policies for already designated conservation areas.

Mr. Waldegrave: Local Planning authorities have a duty under the Town and Country Planning Act 1971 to formulate and to publish proposals for the preservation and enhancement of designated conservation areas. It is for local planning authorities to determine how to carry out this duty in practice. My right hon. Friend has no plans to add to the guidance set out in DOE Circulars 23/77 and 12/81.

Footpaths

Mr. Harris asked the Secretary of State for the Environment when he expects that sections 53 and 54 of the Wildlife and Countryside Act 1981, relating to the definitive map for footpaths, will be brought into force for Cornwall.

Mr. Waldegrave: The bringing into force of sections 53 and 54 of the Wildlife and Countryside Act 1981 for Cornwall is dependent on the completion by my Department and the Cornwall county council of action on the current definitive map and review. I expect this to be completed by the end of 1986.

Designated Buildings

Miss Boothroyd asked the Secretary of State for the Environment how many authorities have designated buildings under local schemes under section 12 of the Housing Defects Act 1984 since its coming into force.

Mr. Gow: No designations have been made.

Miss Boothroyd asked the Secretary of State for the Environment how much money has been given to local authorities in contributions where local authorities have designated local schemes under section 12 of the Housing Defects Act 1984.

Mr. Gow: No designations under section 12 of the Act have been made.

Smith Houses

Miss Boothroyd asked the Secretary of State for the Environment how many Smith houses he has *(a)* visited himself personally and *(b)* instructed his officials to visit in (i) Birmingham and (ii) any other areas; and whether he will publish the evidence available to him about the value and condition of Smith houses.

Mr. Gow: The condition of Smith houses is discussed in the Building Research Establishment report "The Structural condition of Smith system houses", published in December 1983. As part of its investigation, the BRE inspected in detail six Smith houses (three in Birmingham and three in other areas) and examined a further 25 in those areas. I have visited seven Smith houses in the Birmingham area. In addition to BRE inspectors my officials have made other such visits in Birmingham.

As indicated in my reply of 8 May, at column *417*, we have no evidence of any substantial reduction in value generally. But there has been a substantial reduction in the value of those Smith houses in Birmingham which are defective through use of shale fill. It would not be appropriate to publish the detailed valuations.

Miss Boothroyd asked the Secretary of State for the Environment what consultations he has had with *(a)* local authority officials and *(b)* other interested parties about Smith houses in the last 12 months; and whether he will make a statement.

Mr. Gow: Over the last year my Department has obtained information on Smith houses from local authorities and other interested parties. I have kept closely informed those hon. Members who have previously raised this subject and I met local Members of Parliament, City officials and other interested parties during my visit to Birmingham on 25 May last year. My officials have had separate discussions with City officials.

Miss Boothroyd asked the Secretary of State for the Environment when his Department first became aware of defects in Smith houses.

Mr. Gow: The condition of Smith houses was first raised by my hon. Friend the Member for Birmingham, Yardley (Mr. Bevan) and formed the subject of replies given to him on 8 November 1982 at column *80*.

Miss Boothroyd asked the Secretary of State for the Environment if he will list all the areas in which Smith houses have been built; and *(a)* which of these areas have been visited and inspected by officials of his Department and *(b)* in which of these areas Smith houses were found to be defective.

Mr. Gow: Smith houses have been reported in the following local authority areas in England and Wales:

Amber Valley
Ashfield
Erewash
Leicester
North East Derbyshire
Birmingham
Dudley
Nuneaton
Sandwell
Walsall
Wolverhampton
Cardiff

The Building Research Establishment inspected houses in Birmingham, Cardiff, Erewash and Amber Valley during its investigation of Smith houses. I refer the hon. Lady to my reply to her of 8 May at column *417*, on the condition of this type of house in Birmingham and generally.

Councillors (Subsistence)

Mr. Alton asked the Secretary of State for the Environment what are the circumstances in which subsistence may be claimed by local councillors; and what is an approved duty allowable for a claim by a member of a local authority.

Mr. Waldegrave: The circumstances under which a councillor may claim a subsistence allowance are set out in section 174 of the Local Government Act 1972. The scope of the term "approved duty" is outlined in section 177(2) of that Act, but the Government take the view that the interpretation of the statute is for individual local authorities. The judgment as to the correctness of that

interpretation in a particular case is in the first instance a matter for the independent auditor appointed by the Audit Commission and ultimately one for the courts.

Homes (Insulation)

Dr. Michael Clark asked the Secretary of State for the Environment how many grants for homes insulation have been given in each year since 1978; and what estimate he has of the number of grants paid to households where one member of the household was in receipt of supplementary benefit.

Sir George Young: Numbers of home insulation scheme grants paid in 1982, 1983 and 1984 (provisional) appear in table 2.17 of "Housing and Construction Statistics" part 2, No. 20: figures for the earlier years were last published in table 7.5 of "Housing and Construction Statistics 1973-1983". Copies of these publications are available in the Library.

Figures are not collected of the numbers paid to recipients of supplementary benefit.

Dr. Michael Clark asked the Secretary of State for the Environment if he will estimate the number of public sector houses which do not benefit from adequate insulation.

Sir George Young: The available information is from a sample survey conducted by Audits of Great Britain and it is estimated that at the end of 1983 about 1 million council houses in Great Britain had no loft insulation or less than 2 inches of loft insulation.

Thermal Insulation

Dr. Michael Clark asked the Secretary of State for the Environment what are the current standards defined by building regulations for thermal insulation in *(a)* new buildings and *(b)* other buildings; and whether he proposes to upgrade these.

Sir George Young: The current standards defined by the building regulations for the resistence to the passage of heat through the roof, external walls and external floor of new buildings and extensions to existing buildings are:

Type of building	*Minimum U value required* W/m^2 °C	
	External walls and floors	*Roofs*
Dwellings	0·6	0·35
Residential other than dwellings, shops, offices assembly, recreational	0·6	0·6
Industrial; Storage	0·7	0·7

Hot water pipes and tanks are also required to be insulated.

My right Friend has no proposals at present to upgrade these Standards. All the technical requirements of the building regulations including those for the conservation of fuel and power will be reviewed once the new system of building control has been introduced later this year.

Home Improvement Grants

Dr. Michael Clark asked the Secretary of State for the Environment how much has been paid out in home improvement grants by local authorities in each of the last five years.

Sir George Young: The figures requested are as follows:

	£m cash
1980-81	129
1981-82	197
1982-83	425
1983-84	*911

* Provisional.

The amount spent by local authorities on home improvement grants in 1984-85 is expected to have been around £740 million.

EC Directive (Wild Birds)

Mr. Hardy asked the Secretary of State for the Environment if he will place in the Library a copy of the letter number S6(84) D/2695 dated 23 February 1984 from the Commission of the European Communities to Her Majesty's Government concerning directive 79/409 on the conservation of wild birds; and if he will place in the Library a copy of the reply from Her Majesty's Government contained in letter number SER 226/2 of 17 May 1984.

Mr. Macfarlane: Copies of these two letters have been placed in the Library.

Nature Conservancy Council

Mr. Hardy asked the Secretary of State for the Environment how many requests he has received from the Nature Conservancy Council for section 29 orders since 1 January; how many of these requests have been granted and how many have yet to be decided; and what is the time each order has taken to be processed from the date it was secured by his Department.

Mr. Waldegrave: I shall write to the hon. Member with this information.

National Home Improvement Council (Exhibition)

Mr. Grylls asked the Secretary of State for the Environment if he will arrange for an exhibition relating to the National Home Improvement Council to be displayed in the Upper Waiting Hall.

Mr. Gow: I understand that arrangements have been made with the authorities of the House for the exhibition to be held in the Upper Waiting Hall from 13 May to 17 May.

Ronan Point (Report)

Mr. Heddle asked the Secretary of State for the Environment when the report of the Building Research Establishment's investigation of Ronan Point and other Taylor Woodrow Anglian Buildings will be published.

Mr. Gow: The Building Research Establishment's report on the structure of Ronan Point and other Taylor Woodrow Anglian (TWA) buildings is being published today. The main findings of the BRE's investigation were announced in the answer which I gave to the hon. Member for Newham, South (Mr. Spearing) on 19 February at columns *409-10*. The report contains detailed analyses which support those findings and I commend it to those

responsible for managing and maintaining Taylor Woodrow Anglian buildings and to the consulting engineers and others who advise them.

Some of the conclusions in the BRE report apply not only to Taylor Woodrow Anglian buildings but have implications for large panel system buildings generally.

In the statement which I made on 23 October 1984 at columns 553-57 I advised that authorities should take urgent steps to prevent the use and storage of liquefied petroleum gas cylinders and other explosive materials in large panel system buildings of all type over six storeys in height which were not designed or strengthened to resist a standard static pressure of 34 KN/m² (5 p.s.i.). I repeat this urgent advice to authorities which have not done so already to take steps to guard against the risk, even if it is remote, of these large panel buildings being seriously damaged by explosion, by preventing the use and storage in them of LPG.

The necessary steps include effective publicity about the danger of LPG and the readiness to take enforcement action when necessary. I appreciate that in some cases tenants face difficulties because existing heating systems are inefficient or expensive. In these cases one possibility local authorities should consider is to provide alternative, more economic forms of heating, combined where necessary with better insulation.

In my statement of 23 October 1984 I also referred to the risk of progressive collapse in certain large panel buildings of six or fewer storeys. Many such buildings do conform to the requirements of D17 of the building regulations, which require, inter alia, that the relevant parts of the structure should be capable of withstanding static pressure of 34KN/m² (5 p.s.i). But where they do not and particularly where piped gas is installed or LPG is being used, I urge authorities to appraise the robustness of the buildings and their resistance to progressive collapse, as indicated in the BRE report.

Having appraised their large panel buildings authorities will need to consider carefully all of the steps which they should take, including management measures mentioned above (for example, the use and enforcement of tenancy agreements, to ensure that LPG is not used) as well as possible works such as the modification or replacement of heating systems or the alternative of strengthening buildings to the 34KN/m standard. Authorities will need to consider carefully the relative costs and benefits of the options open to them, while also keeping in mind the need for other expenditure on the maintenance and renovation of these buildings in the longer term. Though it will be for each authority to decide on the best course of action my Department will give whatever further advice it can.

The Department is writing today to those authorities which own large panel system flats and houses to bring these recommendations to their attention. Copies of the BRE report are being sent to each of them: a copy has been placed in the Library.

OVERSEAS DEVELOPMENT

UNESCO

Mr Key asked the Secretary of State for Foreign and Commonwealth Affairs (1) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards technical support for selected national institutions with a view to developing prototype curricula for health education at school and related teacher training in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute in 1985-86 and 1986-87;

(2) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards contracts with institutions for pilot activities aimed at introducing into literacy activities for young people and adults, and educational dimension relating to population problems and drug abuse prevention in 1984-85; and how much it intends to contribute in the years 1985-86 and 1986-87;

(3) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards *(a)* the organisation of training activities aiming to include in educational curricula and non-formal educational activities interdisciplinary content relating to drug abuse prevention, and *(b)* the publication of an appraisal of activities undertaken by certain member states in education and communication to combat the use of narcotics and prevent drug abuse in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(4) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards operational projects to further the inclusion in general educational curricula and in non-formal educational activities of subject matter relating to problems connected with the quality of life, the environment and nutrition education in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(5) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards the development of Palestine university institutions in the occupied Arab territories in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(6) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards consultancy services to assist in setting up a scholarship fund for students from the occupied Arab territories in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(7) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards further training fellowships for the teaching staff of universities in the occupied Arab territories, and to the supply of teaching materials and equipment for these universities in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(8) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards the supply of educational material and equipment for the education centres of African national liberation movements, and the organisation of seminars with a view to improving the training of the staff of the centres in

1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(9) how much the United Nations Educational, Scientific and Cultural Organisation contributed to fellowships for students sponsored by African national liberation movements and students presented by the Palestine Liberation Organisation in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(10) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards the cost of printing school textbooks for the education centres of African national liberation movements in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(11) how much the United nations Educational, Scientific and Cultural Organisation subsidised the publication of African poems and other activities decided upon with those responsible for education in African national liberation movements with a view to helping to preserve their cultural identity in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(12) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards informing public opinion about the assistance it provided in the implementation of education projects of African national liberation movements in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

Mr. Raison: I am seeking this information from the organisation and will circulate it in the *Official Report*.

Ethiopia and Sudan (Food Aid)

Mr. Bowen Wells asked the Secretary of State for Foreign and Commowealth Affairs what action he proposes to take in the light of the Court of Auditors report on the European Economic Community for 1983, to ensure that cereals and foodstuffs allocated and committed for delivery to the drought-affected areas of Ethiopia and Sudan are received by those for whom they are intended.

Mr. Raison: Much has been done since 1983 to improve the procedures for agreeing the Community's annual food aid programme and individual commitments and thus to remove some of the causes of the delays criticised by the Court of Auditors. The Commission have also taken steps to speed up deliveries to the most seriously affected countries. However, I believe the Community could respond more rapidly in emergencies. The Development Council on 23 May will review progress in delivering recent Community food aid commitments to Africa.

Centre for World Development Education

Mr. Alan Howarth asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement with regard to the policy of Her Majesty's Government towards the Centre for World Development Education, with particular reference to its funding in the period 1979 to 1985 and in the future.

Mr. Raison: The Government have provided financial support for the Centre for World Development Education since it was established in 1977. In the period 1979-80 to 1984-85 grants totalling £793,000 were provided. Subject to Parliamentary approval I propose to allocate £100,000 per annum for 1985-86 and 1986-87. Our hope is that the continuation of support in this way will enable the centre to identify secure sources of funds for their activities from non-Government sources.

Ethiopia

Mr. Fisher asked the Secretary of State for Foreign and Commonwealth Affairs what agricultural aid was given by Her Majesty's Government to Ethiopia in each of the last five years.

Mr. Raison: No agricultural aid was given to Ethiopia on a bilateral basis during the four years from 1980 to 1983 inclusive, but the Government provided £165,000 to buy seeds and tools in 1984. Ethiopia is a major recipient of multilateral aid especially from the European Community, to which we make a substantial contribution. Much of such aid goes to the agricultural sector.

India (Westland Helicopters)

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if there will be a reduction in total aid expenditure in 1985-86 in the event of failure to achieve a sale for Westland helicopters to India; and if he will make a statement.

Mr. Raison: I have no plans to reduce total aid expenditure in 1985-86.

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if the Overseas Development Administration intends to buy for sale elsewhere Westland helicopters which cannot be sold to India.

Mr. Raison: I have no plans to do so.

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs how much of the 1985-86 aid commitment to India is in respect of the Westland helicopter sales; if failure to achieve the contract for this sale will reduce total United Kingdom aid to India by the amount involved; and if he will make a statement.

Mr. Raison: An allocation of £45 million has been made for 1985-86. Discussions with the Government of India about the provision of Westland helicopters are still continuing. There might well be implications for the aid programme to India if the contract were not concluded.

United Nations (Children's Fund Appeal)

Mr. Portillo asked the Secretary of State for Foreign and Commonwealth Affairs whether the Government intend to make a further contribution to the United Nations international children's emergency fund appeal for Africa.

Mr. Raison: I have made available a further £1 million for the UNICEF special appeal for Africa. This is in addition to the £1 million contribution announced in August 1984.

EMPLOYMENT

Trade Union Rules

Mr. Batiste asked the Secretary of State for Employment whether he will introduce legislation to require major changes in the rules of trades unions to be subject to an affirmative vote of their members in a manner similar to that specified in part III of the Trade Union Act 1984.

Mr. Peter Bottomley: We have no plans to introduce such legislation at present.

Redundant Miners

Mr. Gordon Brown asked the Secretary of State for Employment if he will make a statement on proposals to provide retraining places in skillcentres for redundant miners; how many places will be offered and in what areas; what will be the Government's financial contribution; and when discussions on this proposal were instigated.

Mr. Peter Bottomley: I very much welcome the agreement signed on 2 May between the skillcentre training agency and the National Coal Board to provide training for people leaving the mining industry under the board's voluntary redundancy arrangements. This will create new opportunities for those who choose to leave the industry. The contract, worth up to £10 million, is the largest ever private contract obtained by the skillcentre training agency.

Training will be available under these arrangements for all who choose to take voluntary redundancy and decide to take advantage of the opportunity. It is not possible at this stage to predict the number of applications which will be made. The training can be provided by any skillcentre in any National Coal Board area and will be within the capacity of the re-organised skillcentre network.

This is a commercial contract between the National Coal Board and the Manpower Services Commission and will be financed accordingly by the Board.

The discussions, linked to the development of the Board's enterprise initiative, were initiated in May 1984.

TRADE AND INDUSTRY

Nicaragua

Mr. Dubs asked the Secretary of State for Trade and Industry if he will make a statement on his policy on trade with Nicaragua.

Mr. Channon: Our trade with Nicaragua is minimal and I do not think this will change in the foreseeable future.

Chile (Export Licences)

Mr. Foulkes asked the Secretary of State for Trade and Industry what is his policy regarding the granting of export licences for vehicles, weapons or equipment to Chile.

Mr. Channon: In the case of Chile or other countries arms sales are considered individually on their merit. The nature of the regime of the importing country and the use to which the equipment may be put are among the many factors which are taken into account before a decision is made whether or not to grant an export licence.

Mr. Foulkes asked the Secretary of State for Trade and Industry how many applications for export licences have been made for the sale of vehicles, equipment or weapons to Chile in the past 12 months.

Mr. Channon: It has been the practice of successive Governments not to make public information of this kind.

Consumer Safety

Mr. Sims asked the Secretary of State for Trade and Industry how many consumer safety complaints in respect of imported goods have been made by trading standards officers in the last 12 months; how the figure compares with previous 12-month periods; and to what extent such complaints relate to specific types of goods and to specific countries of origin.

Mr. Fletcher: This information is not kept centrally and could be obtained only at disproportionate cost. Consumer safety complaints are made in the first instance to trading standards officers who pass them on to my Department only if the goods concerned cannot be dealt with under the powers already available to TSOs, or if the case raises questions of policy. Of the total number of consumer safety complaints made to TSOs, a significant proportion relate to imported goods; a recent survey by TSOs in the Midlands suggested that this might be as much as 80 per cent.

Imported Goods (Trading Standards)

Mr. Sims asked the Secretary of State for Trade and Industry what steps are taken to ensure that imported goods comply with trading standards; if he is satisfied that present measures are adequate; and if he will make a statement.

Mr. Fletcher: Imported goods are subject to trading standards legislation. Enforcement is primarily a matter for local authority trading standards departments.

We propose to amend the legislation on consumer safety to deal more effectively with imports as soon as the legislative programme permits. Our proposals are set out in the White Paper on the "Sale of Goods" (Cmnd. 9302) published last July.

Trans-national Corporations

Mr. Deakins asked the Secretary of State for Trade and Industry what is the policy of Her Majesty's Government on the outstanding issues in the negotiations for a United Nations code of conduct for trans-national corporations; and if he will make a statement.

Mr. Channon: The Government continue to support negotiation of a balanced code, which could make a useful contribution to improving the climate for international investment, particularly in developing countries. On the main outstanding issues we consider that the code should be voluntary, should provide for non-discriminatory treatment by Governments of trans-national corporations and respect for international law, and should also be universally applicable.

Exports

Mr. Ralph Howell asked the Secretary of State for Trade and Industry if he will give comparative figures in

money and percentage terms for the percentage change in exports of *(a)* cereals and *(b)* all agricultural products and the percentage change in the remainder of British exports, broken down also into its principal sections.

Mr. Channon: The information is as follows:

*Change in United Kingdom Exports between 1979 and 1984**

	Change	
	£ million	Per cent.
Cereals and cereal preparations	+ 728	+276
All Agricultural products	+ 1,446	+ 80
Other Exports	+26,314	+ 64
of which		
Beverages and Tobacco	+ 383	+ 32
Inedible Crude Materials (excl. Fuels)	716	+ 61
Mineral Fuels, Lubricants etc	+11,043	+255
Chemicals and Related products	+ 3,304	+ 67
Manufactured Goods	+ 567	+ 6
Machinery and Transport Equipment	+ 6,733	+ 46
Miscellaneous Manufactures	+ 2,996	+ 76
Miscellaneous Commodities and Transactions	+ 573	+ 47

* 1984 figures are provisional

Source: for agricultural products, SITC/R2 Sections 0 & 4 and Division 22, and for cereals, SITC/R2 Division 04 in Table V of the UK Overseas Trade Statistics.

NATIONAL FINANCE

EC (Own Resources)

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for each year since 1973 the amount of the United Kingdom contribution to own resources under *(a)* value added tax and *(b)* other resources, together with the United Kingdom share in each case of the European Economic Community total; and to what extent the United Kingdom rebate has been reduced by confining the calculation to the value added tax element.

Mr. Ian Stewart: Details of the United Kingdom's contribution to own resources under value added tax and other resources, together with its share of the EEC total are given in the *Official Journal of the European Communities* —"Annual Report by the Court of Auditors". The copies covering the period 1973 to 1983 are in the Library of the House. The latest estimated outturn figures for 1984 are as follows:—

United Kingdom Contribution of Own Resources 1984 (MECU)

(a) Value-added tax—2,927 (20·05 per cent. of total)

(b) Other own resources—2,603 (25·05 per cent. of total)

(c) Total United Kingdom contribution—5,530 (22·1 per cent. of total EC own resources)

The calculation of the United Kingdom's rebate is not confined to the value-added tax element. As the Prime Minister pointed out in her statement to the House at column 1002, the calculation takes the majority of the United Kingdom's contribution to all forms of own resources into account. Furthermore, it is not possible to calculate to what extent the United Kingdom abatement has been affected by the agreement reached at Fontainebleau since it cannot be known what agreement, if any, could have been reached on other arrangements to reduce the United Kingdom's net contributions for future years.

Illegal Drugs

Mr. Irving asked the Chancellor of the Exchequer what was the quantity and type of illegal drugs seized by Her Majesty's Customs and Excise by year since 1979.

Mr. Hayhoe: The quantities and type of illegal drugs seized in each year since 1979 are set out in the following table. (The figures for 1984 are provisional.)

Kilograms

	1979	1980	1981	1982	1983	1984
Cannabis Herbal	6403·0	18,082·0	16579·0	12,603·47	14,242·22	15,774·43
Cannabis Resin	5,227·0	7,406·0	7,536·0	3,793·30	6,429·90	9,102·11
Cannabis Liquid	41·0	123·0	73·468	28·492	20·181	27·632
Heroin	40·388	38·124	87·160	183·244	212·463	298·968
Cocaine	21·553	35·686	13·597	12·117	73·326	34·751
Morphine	2·00	6·00	5·903	2·199	0·525	0·622
Opium	60·0	30·00	9·92	18·562	2·888	5·581
LSD			0·001	0·001	0·009	
+ doses	2,478	4,332	1,013	17,540	5,226	20,664
Amphetamine	0·138	0·265	8·0	2·0	13·011	16·087

Personal Incomes

Mr. Fisher asked the Chancellor of the Exchequer whether he will provide information on the net income after income tax, national insurance contributions and child benefit at *(a)* actual prices and *(b)* constant (April 1985) prices of typical household units (i) single, (ii) married couple, (iii) married couple with two children, (iv) married couple with four children whose gross income is at *(x)* the lowest decile, *(y)* the median and *(z)* the highest decile for each year since 1978-79.

Mr. Moore: I shall let the hon. Member have a reply as soon as possible.

Mortgage Interest Relief

Mr. Gordon Brown asked the Chancellor of the Exchequer if he will provide a table showing the cost of mortgage interest tax relief for each year since 1964 at 1985 prices.

Mr. Moore: I shall let the hon. Member have a reply as soon as possible.

SOLICITOR-GENERAL FOR SCOTLAND

Poaching

Mr. Canavan asked the Solicitor-General for Scotland how many people have been *(a)* fined and *(b)* imprisoned for poaching over the past six years; and what was the average fine and average term of imprisonment.

The Solicitor-General for Scotland: Statistics on the sentencing of persons for poaching are not separately kept and could not be obtained for the past six years except at disproportionate cost.

Mr. Canavan asked the Solicitor-General for Scotland how many people have been prosecuted under the Freshwater and Salmon Fisheries (Scotland) Act 1976; and what was the average fine or other sentence imposed on those found guilty.

The Solicitor-General for Scotland: Statistics are not separately kept for contraventions of the Freshwater and Salmon Fisheries (Scotland) Act 1976. Information on the disposals of such cases could not therefore be obtained except at disproportionate cost.

EDUCATION AND SCIENCE

Students (Income)

Mr. Lyell asked the Secretary of State for Education and Science whether his Department's review of student grants and the funding of higher education includes a review of the different treatment accorded to a student's income derived from local authority or central Government grants, and income derived from parental contribution, whether directly or by covenant.

Mr. Brooke: The Government will consider all points made to them about student support arrangements during the current wide-ranging review. However, the treatment of income for tax purposes remains the responsibility of my right hon. Friend the Chancellor of the Exchequer.

Burnham Committee

Mr. Freud asked the Secretary of State for Education and Science (1) what ratio of membership to representation he considers appropriate for the union side of the Burnham committee; and if he will make a statement;

(2) what criteria he will take into account when deciding the balance of representation in the union side of the Burnham committee;

(3) whether he will appoint an independent chairman to the review of membership composition of the union side of the Burnham committee; and if he will make a statement.

Sir Keith Joseph: I shall reply to the hon. Member as soon as possible.

School Library Provision

Mr. Fisher asked the Secretary of State for Education and Science when he expects to respond to the report of the Library and Information Services Council on school library provision.

Mr. Dunn: The White Paper "Better Schools" (Cmnd. 9469) makes clear the Government's view that the function and use of school libraries should form part of the curricular policy of every local education authority and school since schools are better placed to extend the range and depth of pupils' learning when library services are included in their curricular policies. The Government recognise the importance of school libraries and look to local education authorities and schools to explore ways in which the resources available can be most effectively deployed.

The Library and Information Services Council's report also addressed a number of recommendations to local authorities, training establishments, staffs of schools, professional bodies and others. Those recommendations are to be considered by the bodies concerned.

Mr. Fisher asked the Secretary of State for Education and Science whether he will order a report by Her Majesty's Inspectorate into the provision of books in schools and school library services.

Mr. Dunn: The report of a survey by Her Majesty's inspectors of school libraries in six local education authorities will be published later this month. Book provision is referred to, often in detail, in HMI's reports on individual schools and on educational provision in particular authorities, and in their annual report on the effects of local authorities' expenditure policies—all of which are published.

Mr. Fisher asked the Secretary of State for Education and Science whether he will seek to determine statutory minimum levels for the *(a)* financial provision, *(b)* book stock and *(c)* staffing of school library services in England and Wales.

Mr. Dunn: We have no plans to do so.

Mr. Fisher asked the Secretary of State for Education and Science how many local education authorities in England and Wales have a school library service.

Mr. Dunn: The Department does not collect information from local education authorities about their arrangements for school library services.

Mr. Fisher asked the Secretary of State for Education and Science whether he has any plans to seek to make the provision of a school library service a statutory provision in England and Wales.

Mr. Dunn: We have no plans to do so.

Mr. Fisher asked the Secretary of State for Education and Science how many qualified librarians were employed in school libraries in England and Wales for each of the last five years for which statistics are available.

Mr. Dunn: The Department does not collect information in this form from local education authorities.

SOCIAL SERVICES

NHS (Ancillary Services)

Mr. Michael Brown asked the Secretary of State for Social Services what is the total expenditure by the National Health Service on ancillary services.

Mr. Kenneth Clarke: We have no precise definition of ancillary services. Current expenditure by health authorities classified as on general services was £2,704·2

million in 1983-84. The details were given in table 1 in my reply to my hon. Friend the Member for Norfolk, North (Mr. Howell) on 21 December 1984 at columns *412-14*.

Doctors

Mr. Michael Brown asked the Secretary of State for Social Services what is the total number of qualified doctors employed by the National Health Service in England.

Mr. Kenneth Clarke: The number of qualified doctors directly employed by the National Health Service in England at 30 September 1984 was 48,900. This figure includes all permanent paid and honorary doctors working in the hospital and community health services except locums. It excludes general medical practitioners (25,800 at 30 September 1984), except those also employed on a part-time basis in the HCHS (4,300).

Nurses (Pay)

Mr. Michael Brown asked the Secretary of State for Social Services what is the average salary of each nursing grade employed by the National Health Service.

Mr. Kenneth Clarke: The information requested for the main nursing pay grades based on the minimum and maximum points of the 1984 pay scales is in the table. In addition to basic pay, nurses in grades up to and including senior nurse 6 and senior tutor are eligible for additional payments, mainly for working unsocial hours or overtime. The table therefore includes the estimated annual gross earnings of these staff where readily available. Pay rates for 1985 will be determined in the light of the recommendations of the review body for nursing staff, midwives, health visitors and professions allied to medicine.

Main grades	*Basic salary from 1 April 1984*		*Estimated gross earnings for full-time staff*	
	Minimum £	*Maximum* £	*Minimum* £	*Maximum* £
Regional Nurse—R1	20,491	26,235	—	—
District Nursing Officer—DHA1(T)	19,002	24,882	—	—
Director of Nursing Services I	15,138	18,010	—	—
Senior Nurse 6*	8,830	10,263	†	†
Senior Nurse 8	7,578	9,158	†	†
Nursing Sister II (Ward Sister)	6,827	8,751	7,819	10,023
Staff Nurse RGN	5,398	6,582	6,306	7,689
Enrolled Nurse	4,861	5,864	5,753	6,940
Nursing Auxiliary	3,777	4,828	4,604	5,885
Student	3,917	4,277	4,420	4,826
Director of Nurse Education I	14,270	16,514	—	—
Senior Tutor*	9,150	10,667	†	†
Tutor*	8,449	9,965	†	†
Clinical Teacher	7,788	9,348	†	†

* Eligible for unsocial hours payments but not overtime.
† Not readily available.

Residential Homes

Mrs. Renée Short asked the Secretary of State for Social Services why he decided to compile a questionnaire for completion by disturbed elderly and handicapped people who seek social security assistance to pay for private home places; and if he will make provision for his Department's staff to help them to understand them and fill them in.

Mr. Whitney: The draft letter seeking information from people in residential care and nursing homes claiming supplementary benefit has been simplified. Copies of the revised version have been placed in the Library.

Supplementary Benefit

Dr. Michael Clark asked the Secretary of State for Social Services how much has been expended in supplementary benefit heating additions in the latest available period; and if he will break down the claimants by category.

Mr. Whitney: Our most recent estimate is that some £400 million was spent in heating additions in the financial year 1984-85. A breakdown of the numbers of supplementary benefit claimants in different groups who receive a heating addition is only available at one point in a year. The latest figures are provisional estimates for December 1983.

Number of claimants with Heating Addition as at December 1983 (Provisional)

Great Britain (Thousands)

Type of heating	*Addition*	*All Supplementary Beneficiaries*	*All Pensioners*	*All Unemployed*	*Sick and Disabled*	*Lone Parents*	*Others*
1. Heating Addition	£2.05	563	435	56	28	22	23
2. Heating Addition	£5.05	379	336	9	21	4	8

Type of heating	Addition	All Supplementary Beneficiaries	All Pensioners	All Unemployed	Sick and Disabled	Lone Parents	Others
3. Central Heating Addition	£2.05	448	202	147	19	56	25
4. Central Heating Addition	£4.10	562	133	249	24	121	36
5. Age Related Heating Addition	£2.05	468	258	120	3	85	2
6. Disabled Persons Heating Addition	£5.05	116	54	8	41	4	9
7. Estate Rate Heating Addition	£4.10	15	7	5	1	1	1
8. Estate Rate Heating Addition	£8.20	5	1	2	†	2	†
9. Specified Heating Addition av..	£3.65	2	1	†	†	†	—
10. Other Heating Addition av.	£2.51	29	14	11	1	2	1
Totals*		2,587	1,441	607	138	297	105

* May not sum due to rounding.
† Less than 500.
Source: Annual Statistical Enquiry 1983 (provisional estimates).

Dr. Michael Clark asked the Secretary of State for Social Services how many supplementary benefit single payments in respect of draughtproofing or other named energy saving measures have been made in each of the last three years.

Mr. Whitney: I refer my hon. Friend to my reply to the hon. Member for Birkenhead (Mr. Field) on 28 November 1984 at column 525. I regret that comparable figures for 1983 and 1984 are still unavailable because they have been delayed by the recent strike at Newcastle central office.

Mr. Fisher asked the Secretary of State for Social Services how many staff were responsible for dealing with supplementary benefit claims in each of the last five years for which statistics are available.

Mr. Whitney: Returns of local office staff which sub divide those actually working on supplementary benefit from those on contributory benefit work have been kept only since May 1983. Additionally, it is not possible to give a separate figure for staff employed exclusively on claims work, as opposed to other tasks arising from supplementary benefits.

However, the following figures for 1981 to 1983 relate to the number of staff allocated to do supplementary benefit work in local offices and the figures for 1984 and 1985 relate to the numbers of staff actually in post.

April of Year	Numbers
1981	34,782
1982	34,220
1983	35,290
1984	37,639
1985	39,536

Mr. Ashley asked the Secretary of State for Social Services in what way attendance allowance will be accounted for in the assessment of costs under the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985.

Mr. Whitney: The Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 amend regulation 11 of the Supplementary Benefit (Resources) Regulations 1981 to enable attendance allowance to be taken fully into account as a resource in assessing a person's entitlement to supplementary benefit, where that person is living in a residential care or nursing home.

Mr. Ashley asked the Secretary of State for Social Services what provision will be made under the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 for supplementary benefit payments to be paid in bulk to a home; and for what uses such supplementary benefit payments can be made.

Mr. Whitney: The Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 make no provisions for payments of supplementary benefit to be made in bulk to a home. Current legislation allows such payments to be made only in individual cases where the claimant has incurred serious debt.

Mr. Ashley asked the Secretary of State for Social Services in respect of the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985, which authority has a duty to ensure that assessment for care is made and provided for.

Mr. Whitney: Supplementary benefit for people in all forms of board and lodging accommodation is paid on the basis of the accommodation in which the individual is resident and does not take account of any assessed need for that accommodation. The existing duties of both local authorities and health authorities in respect of those requiring residential or nursing home care remain unchanged. The local social service authorities and district health authorities also through the registration systems for residential care homes and nursing homes respectively ensure there are satisfactory standards in registered homes. A joint working party between this Department and the local authority associations has been considering the scope for improving collaboration between the Department and

local authorities in relation to the support from public funds of those in residential care homes including the assessment of the resident's need for that type of care.

Mr. Ashley asked the Secretary of State for Social Services what duty is placed upon local authorities and health authorities to provide topping-up payments under the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985.

Mr. Whitney: The Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 do not place any duty upon local authorities to provide "topping-up" payments but allow local authorities who wish to make such payments to do so in certain circumstances without affecting supplementary benefit entitlement. There are no provisions concerning "topping-up" payments by health authorities.

Mr. Ashley asked the Secretary of State for Social Services if, under the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985, local authorities have a responsibility for *(a)* social work input, *(b)* transfers and *(c)* attending case reviews.

Mr. Whitney: The Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 did not alter local authorities' statutory powers and duties with regard to people in need of residential care.

Mr. Gordon Brown asked the Secretary of State for Social Services how many unemployed persons aged between 20 and 25 years are in receipt of supplementary benefit; what is the average payment; and what is the total cost.

Mr. Whitney: In December 1983, the latest date for which information is available, there were approximately 379,000 unemployed persons between 20 and 25 years (eg between their 20th and day before their 25th birthdays) in receipt of supplementary benefit. The average weekly payment was £23·75. Information on total cost is not available, as separate records of every payment to this age group are not maintained.

Mr. Gordon Brown asked the Secretary of State for Social Services what was the total number of single payments made in 1983 to meet exceptional needs of those receiving supplementary benefit; what was the average amount paid; and if he will provide a breakdown of these totals into the major categories of payments.

Mr. Whitney: The information is contained in table 19.2 of the DHSS Annual Statistical Enquiry, a copy of which is in the Library. The information relates to the December 1982 enquiry, the latest date for which figures are available.

Figures from the "Annual Statistical Enquiry" relate to single payments made during the 12 months preceding the date of the inquiry to persons still in receipt of supplementary benefit at the time of the enquiry, and do not, therefore, record all the single payments made during the year.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will publish figures showing the total number of supplementary benefit claimants with additional requirements at the latest date for which figures are available, and the number in each of the following categories: *(a)* retirement pensioners and national insurance widows aged 60 years and over, *(b)* unemployed, *(c)* sick and disabled, *(d)* national insurance widows under 60 years and *(e)* one-parent families.

Mr. Whitney: Provisional information at December 1983 is as follows:

	Number of claimants 000's
Total number	2,716
Retirement pensioners and National Insurance widows aged 60 and over	1,446
Unemployed	646
Sick and disabled	150
National Insurance widows aged under 60	13
One-parent families	303

Source: Annual Statistical Enquiry 1983.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will publish figures showing the average amount and number of additional requirements to supplementary benefit by category of additional requirement.

Mr. Whitney: Provisional information, December 1983, is as follows:

Category	*Average amount*	**†Number of additional requirements 000's*
All cases	2·62	3,676
Heating additions		
Standard rate	*2·05	563
Higher rate	5·05	379
Central heating: Lower rate	2·05	448
Higher rate	4·10	562
Age related	2·05	468
Disabled person	5·05	116
Estate Rate heating addition:		
Lower rate	4·10	15
Higher rate	8·20	5
Specified Heating Additions	3·65	2
Others	2·51	29
Diet at lower rate	1·45	224
at higher rate	3·35	220
Haemodialysis rate	9·60	1
Others	5·96	1
Age addition	·25	417
Blind addition:		
Claimant or wife	1·25	352
Claimant and wife	2·50	1
Laundry	1·56	121
Domestic help	3·59	2
Extra baths	1·27	13
Attendance expenses	7·89	‡
Clothing/Footwear	1·47	22
Furniture storage charges	5·04	1
Hire Purchase additions	2·58	2
Fares for visits to patients	5·70	2
Anomaly additions	2·74	1
Others	11·73	11

* A standard rate of additional requirement is laid down in regulations.

† Some claimants will receive more than one additional requirement.

‡ Less than 500.

Note: Some additional requirements given to supplementary pensioners and other claimants receiving the higher long term scale rate of supplementary benefit are subject to the available scale margin deduction (50p in 1983). The amounts shown do not take account of this deduction.

Source: Annual Statistical Enquiry 1983.

Mr. Fisher asked the Secretary of State for Social Services how much supplementary benefit went unclaimed in each of the last five financial years for which statistics are available.

Mr. Whitney: The only information available is an estimate of £760 million derived from family expenditure survey data for the calendar year 1981.

Mr. Fisher asked the Secretary of State for Social Services what percentage of those eligible claimed *(a)* supplementary benefit, *(b)* family income supplement and *(c)* rent rebate, rate rebate or housing benefit in each of the last five financial years for which statistics are available.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible.

Mr. Gordon Brown asked the Secretary of State for Social Services how many of those in receipt of unemployment benefit who have been unemployed for between six months and a year are also in receipt of supplementary benefit.

Mr. Whitney: At November 1983 (the latest date for which figures are available) there were 82,500 persons in receipt of both unemployment and supplementary benefit who had been unemployed for between six months and a year.

Mr. Gordon Brown asked the Secretary of State for Social Services how many unemployed persons aged *(a)* between 16 and 19 years and *(b)* 20 and 25 years are in receipt of unemployment benefit; and how many have been receiving unemployment benefit for (i) up to six months and (ii) more than six months.

Mr. Whitney: The information requested is:

Unemployment Benefit Recipients	*Aged 16-19*	*Aged 20-25*
Unemployed up to 6 months	63,200	147,100
Unemployed more than 6 months	23,300	63,100

Note The information relates to people between their 16th and the day before their 20th birthdays and between their 20th and the day before their 25th birthdays respectively.

Mr. Gordon Brown asked the Secretary of State for Social Services how many recipients of standard housing benefit he estimates currently have incomes above their supplementary benefit entitlement.

Mr. Whitney: The majority of standard housing benefit cases will have incomes above their supplementary benefit entitlement. I regret that reliable information on which to base a more precise estimate will not be available until the end of this year, for the reasons I set out in my letter of 22 March to the hon. Member concerning take up estimates, a copy of which is in the Library.

Family Income Supplement

Mr. Gordon Brown asked the Secretary of State for Social Services how many of the families receiving family income supplement in October 1984 were self-employed.

Mr. Whitney: Of 204,000 families receiving family income supplement at the end of October 1984, 27,000 were self-employed.

Mr. Gordon Brown asked the Secretary of State for Social Services to whom a family income supplement order book is made payable in a two-parent family.

Mr. Whitney: Family income supplement is receivable by either the man or the woman in a two-parent family and the order book is generally made payable to the woman, with the man shown as alternative payee.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will publish a table showing the number of one-parent and two-parent families with one, two, three, four and five or more children, respectively, in receipt of the maximum family income supplement, showing the average family income supplement payment for each group at the latest date for which information is available.

Mr. Whitney: The following is the position at the end of February 1985.

	Average payment £	*Numbers on maximum*
One-parent family		
With 1 child	11·70	5,000
2 children	14·00	4,000
3 children	16·20	1,000
4 children	19·00	*
5 or more	20·70	*
Total	13·00	11,000
Two-parent family		
With 1 child	9·70	3,000
2 children	10·70	6,000
3 children	11·60	3,000
4 children	13·60	2,000
5 or more	16·80	1,000
Total	11·30	15,000

* Less than 500, rounded to nearest 1,000.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will publish a table showing the number of one- and two-parent families receiving less than £5, £5 to £10, £10 to £15, £15 to £20, £20 to £25, £25 to £30, £30 or over in family income supplement at the latest date for which information is available.

Mr. Whitney: The following is the position at the end of February 1985. It is regretted that a breakdown over £25 is not available.

Amount of award	*Number of one-parent families*	*Number of two-parent families*
Less than £5	14,000	33,000
£5-£10	17,000	29,000
£10-£15	17,000	20,000
£15-£20	14,000	13,000
£20-£25	15,000	14,000
Over £25	4,000	10,000
Total	81,000	*118,000

* Because of rounding.

Chiropodists

Mr. Nicholas Winterton asked the Secretary of State for Social Services whether he has received any requests from the Council for the Professions Supplementary to Medicine for amending legislation to preclude non-registered chiropodists from working and treating patients in private nursing homes.

Mr. Kenneth Clarke: No.

Committee on Safety of Medicines

Mr. Haynes asked the Secretary of State for Social Services (1) if he is satisfied that, throughout their service, present and past members of the Committee on Safety of Medicines having a connection with a pharmaceutical company have maintained a level of objectivity consistent with their status as committee members; and if he will make a statement;

(2) if he will indicate the length of service on the Committee on Safety of Medicines of each of its members;

(3) if he will take steps to ensure that the Committee on Safety of Medicines is wholly independent in its membership from the pharmaceutical industry;

(4) how many members of the Committee on Safety of Medicines have any connection, financial or otherwise, with pharmaceutical companies; and if he will name them;

(5) if he will name the organisations employing each member of the Committee on Safety of Medicines;

(6) if he will list the current members of the Committee on Safety of Medicines.

Mr. Kenneth Clarke: I shall let the hon. Member have a reply as soon as possible.

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PARLIAMENTARY DEBATES

OFFICIAL REPORT

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SESSION 1984–85

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SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There will, however, be headings 'Northern Ireland', 'Scotland', and 'Wales' under which one will find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instrument etc., under subject headings and under the names of those taking part.

Rulings and Statements by Mr. Speaker and his deputies are brought together under the heading Speakers rulings and statements.

Other contributions by Mr. Speaker and his deputies appear under the heading Speaker.

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Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates etc.* (to include interventions on statements, points of order and so on) or *Questions*.

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Bills 1R=first reading, 2R=second reading, Money res=money resolution, Com=Committee stage, Rep=Report stage, 3R=third reading, amendt/amendts=amendment/amendments, *=matter taken formally, without debate.

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